

Committee(s)	Dated:
Audit and Risk Management Committee	22/11/2022
Subject: Corporate Risk – Deep Dive Review: CR17 Safeguarding	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Head of Internal Audit	For Discussion
Report author: Matt Lock	

Summary

Internal Audit has undertaken a deep dive review in relation to CR17 Safeguarding. The objective of the deep dive review is to review the effectiveness of the arrangements in place for the systematic management of Corporate Risk.

The review found that:

- While risk register updates are completed frequently, as is required in practice for Corporate Risks and ensuring currency of information, there is limited ability to monitor and measure the effectiveness of actions to mitigate the risk. It would be useful to see:
 - More explicit linkage between the mitigation actions in the register and the key components of the corporate risk, ensuring that all key aspects of the risk cause are addressed.
 - Inclusion of information on how the impact and effectiveness of the actions is evaluated.
- 2nd line of defence activity to mitigate the corporate safeguarding risk is not operating effectively.

The responsible officers engaged fully with this process, resulting in a transparent and full exchange of information, the findings of the deep dive review have been shared and it is anticipated that this will inform subsequent management review accordingly.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. Deep-dive reviews of the City of London Corporation's Corporate Risks are undertaken by Internal Audit and reported to this Committee. The reports prepared are informed by in depth review of the arrangements in place for managing risk, incorporating a quantitative assessment of the systematic application of the Corporate Risk Management Framework and a qualitative assessment as to the overall quality and completeness of the information provided in the risk register and, where possible, an objective review of the effectiveness of mitigating actions.

Current Position

2. The deep dive report takes the following format:
 - i. Review of Risk Register Maintenance
 - ii. Review of Completed Mitigating Actions
 - iii. Review of Proposed Mitigating Actions
 - iv. Review of Monitoring Arrangements
 - v. General Observations and Overall Commentary
3. This report is focussed on Corporate Risk CR17 Safeguarding, the latest Risk Register extract is shown as Appendix 1.

CR29 Information Management

Area of Testing	Audit Findings
Risk Register Maintenance	<ul style="list-style-type: none">▪ All key information fields are populated and have been updated when each review takes place.▪ The risk register has been updated frequently, 6 times in the past 10 months, which meets the requirements of the Risk Management Framework and is considered sufficiently frequent to ensure that Chief Officers are presented with timely information, although noted that the updates do not always provide additional or new information.
Completed Mitigating Actions	<ul style="list-style-type: none">▪ A number of mitigating actions are noted as complete, Audit testing verified this to be accurate.▪ While actions have been completed, there is no measure of their effectiveness and completion has resulted in no positive impact on the assessed overall level of risk; there is no reduction in likelihood or impact scoring.
Proposed Mitigating Actions	<p>There are currently 6 stated mitigating actions, of which Internal Audit examined 3, the following observations were made:</p> <ul style="list-style-type: none">▪ Mitigating actions are generally ongoing activity, these do not have specific deliverables/outcomes or timescales for completion. It will be difficult, therefore, to assess and monitor the effectiveness of the proposed actions.▪ Operation of a corporate wide network of Safeguarding Champions is identified as a key component to managing this

	risk, Internal Audit considers this network to be in its infancy and so is not as effective as the reader of the risk register may assume.
Monitoring Arrangements	Monitoring arrangements in place in relation to Education and Social Care are generally considered to be robust, although this is attributable to these services being within the direct remit of the Executive Director of Community and Children’s Services. Internal Audit is unable to provide assurance that the mechanism in place for maintaining oversight of safeguarding for all other operations of the City of London Corporation is operating effectively.
General Observations and Overall Commentary	The key area of concern here is less about the inherent risk of safeguarding incidents, more in relation to the effectiveness of the City of London’s overall system for governance and oversight. Internal Audit is unable to provide assurance that current arrangements are effective to provide the Executive Director of Community and Children’s Services with all that they need to be able to meet their remit as designated lead officer.

Corporate & Strategic Implications

- Corporate Risks are those that threaten the City of London Corporation’s ability to achieve its strategic objectives and top priorities. The Risk Management process is designed to identify and manage risk to the organisation and incorporates various assurance mechanisms, this deep dive process is one source of assurance, examining the extent to which Corporate Risks are being managed within the Corporate Risk Management framework.

Conclusion

- In the case of CR17, the deep dive review has identified that, while arrangements in place in relation to the core statutory responsibilities (i.e. Education and Social Care) are sufficient to ensure effective corporate oversight, there is some concern as to the effectiveness of arrangements for governance and oversight across other operations of the City Corporation. Important to note that the issues raised do not necessarily mean that the City Corporation is exposed to increased risk of a safeguarding incident, more a case that the effectiveness of a response would likely be undermined: the strategy for mitigating the corporate safeguarding risk is reliant on second line of defence activity, this is not currently effective.

Appendices

- **Appendix 1:** Risk Register Extract – CR17 Safeguarding

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