

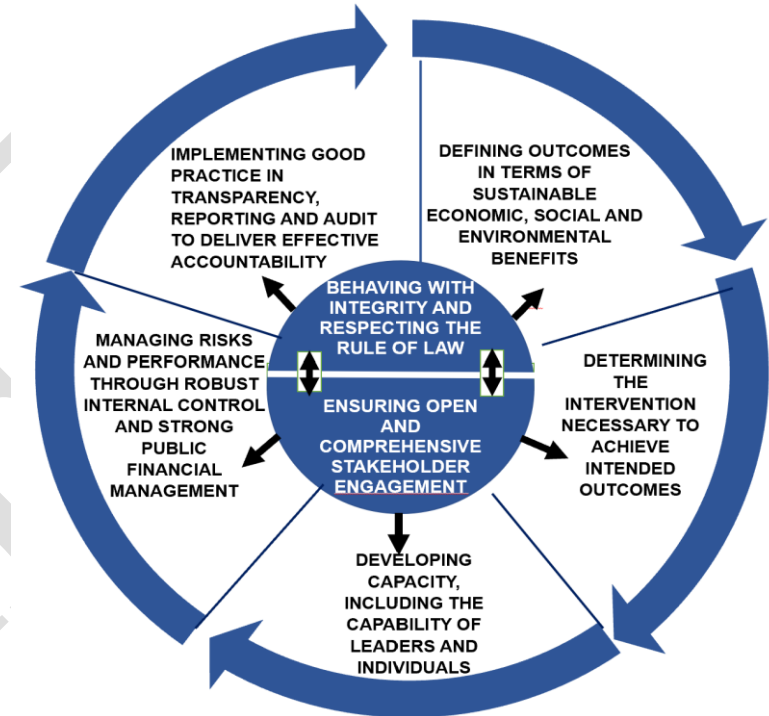
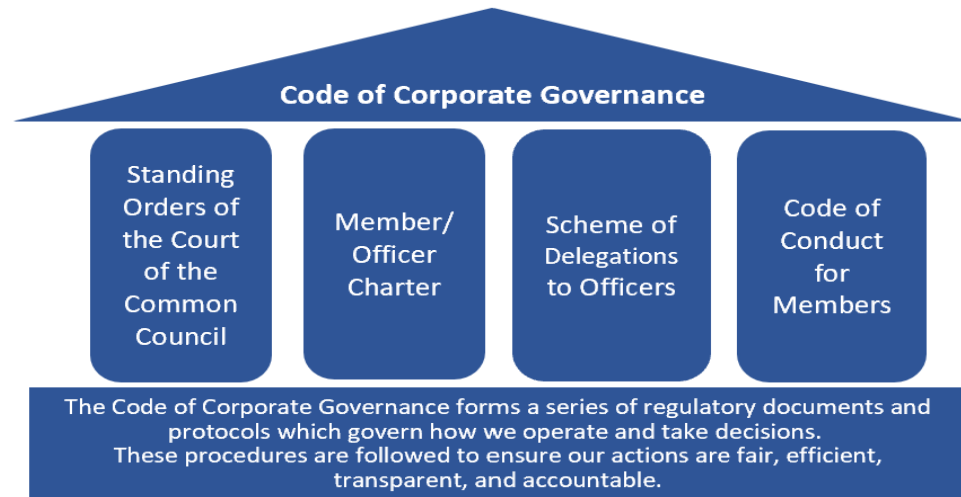
Annual Governance Statement 2022/23 (City Fund)

Executive Summary

1. The City Corporation has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.
2. This statement explains how the City Corporation has complied with the code and also meets the requirements of [regulation 6\(1\) of the Accounts and Audit \(England\) Regulations 2015](#), which requires all relevant bodies to prepare an annual governance statement.
3. The City of London Corporation is satisfied that appropriate governance arrangements are in place. The organisation is committed to continuous improvement and changes that are due to be made in the coming year will strengthen this position further.
4. **The Head of Internal Audit has provided an annual opinion stating that the City has adequate and effective systems of internal control (which includes governance arrangements) in place to manage the achievement of its objectives. This is informed by completed Audit work, discussion with key officers and observation of the governance process in operation.**

Code of Corporate Governance

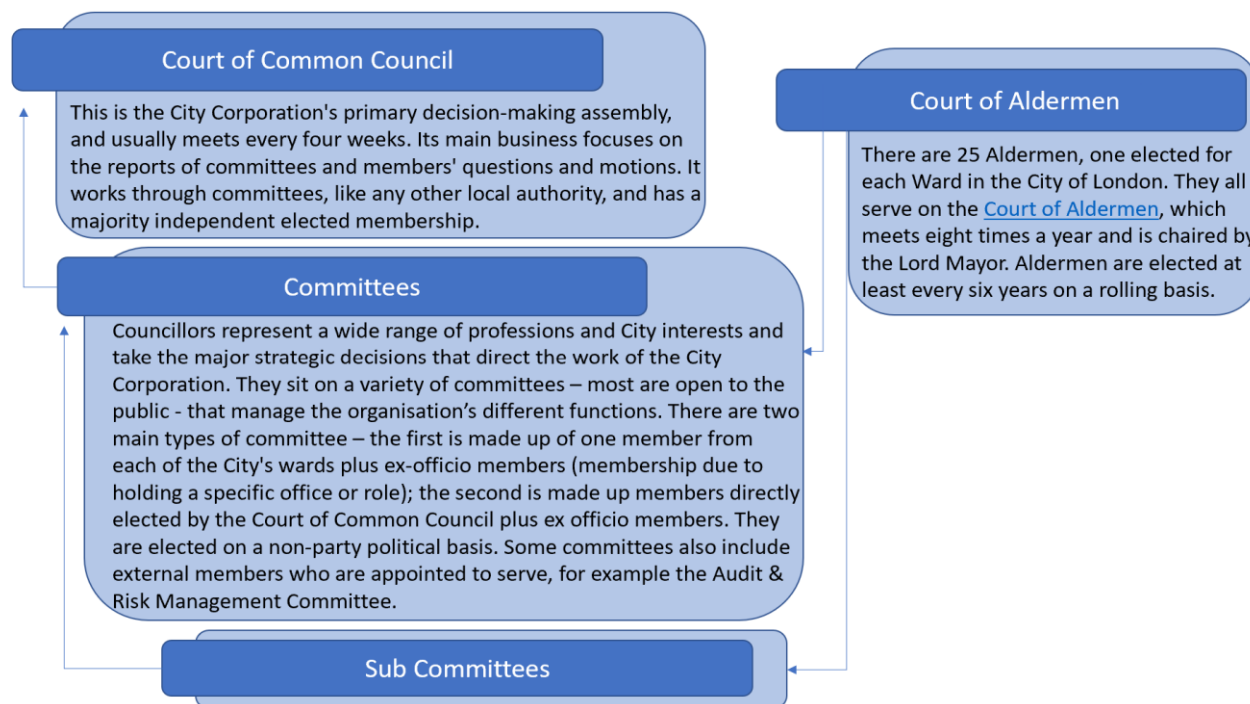
5. The principles of good governance are embedded within a comprehensive published Code of Corporate Governance. This code covers both the Local authority and Police Authority roles, and links together a framework of policies and procedures, all of which are published on the City of London Corporations web pages at the following location: [Corporate Governance - City of London](#)



- The [Standing Orders of the Court of the Common Council](#) outline how the court shall be run.
- The [Code of Conduct for Members](#) states members shall have regard for the Seven Principles of Public Life: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.
- Our [Member/Officer Charter](#), in conjunction with the City Corporation's Member and Employee codes of conduct, ensures that appropriate working relationships and mutual expectations are more clearly established and promoted between Members and Officers.
- The Court of Common Council has agreed the principle that authority should be delegated to Chief Officers (and their nominated Deputies or Assistants) under the [Scheme of Delegations to Officers](#) for carrying out the day-to-day management of all services and for the discharge of specific statutory and non-statutory functions.

6. Our decision-making arrangements operate on a committee-based system whereby elected Members (Councillors) are appointed annually to serve on our many committees and sub committees. These committees, the principal governing body being the [Court of Common Council](#), meet regularly throughout the year.

7. Key features of the City Corporation's Governance Framework include effective leadership, scrutiny and review, and robust decision making and risk management.



Key Elements of the Governance Framework

Members, Committees and Policy Chair

Provide leadership and set policy to maintain the City's global standing as a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK

Scrutiny and Review

[Committees](#) scrutinize and review policy, plans and performance:

- Audit and Risk Management Committee
- Nominations and Effectiveness Sub Committee of the Audit and Risk Management Committee
- Finance Committee
- Policy and Resources Committee
- Corporate Services Committee
- Police Authority Board
- Bridge House Estates Board

Risk Management

Corporate risks are considered by the Chief Officer Risk Management Group (chaired by the Chief Strategy Officer), and Executive Leadership Board, and reported to the Audit and Risk Management

Decision making

Committee meetings are held in public and recordings are available on [City of London Corporation – YouTube channel](#) for up to one year
Decisions [are recorded](#) on the City Corporation website

Town Clerk and Chief Executive and other Chief Officers



The [Town Clerk and Chief Executive](#) is the Head of Paid Service and responsible for City Corporation staff and for leading the Chief Officer executive leadership team. The Comptroller and City Solicitor and Deputy Chief Executive is the Monitoring Officer who, with the Town Clerk and Chief Executive, is responsible for ensuring legality and promoting high standards of public conduct. The Deputy Town Clerk is responsible for servicing meetings of the Court of Common Council and Court of Aldermen, their committees, sub-committees and working parties, and being responsible for the City of London Corporation's Communications. The Chamberlain and Chief Finance Officer is the City Corporation's s.151 Officer responsible for ensuring the City Corporation's financial position.

The Corporate Plan 2018-23

8. The City of London Corporation [Corporate Plan 2018-23](#) provides the framework for the delivery of our services. We aim to contribute to a flourishing society, support a thriving economy and shape outstanding environments. Our annual Business Planning process is aligned to the Corporate Plan outcomes, with the objective of focusing the City Corporation's ambition, resources and performance on the achievement of twelve strategic outcomes. A narrative covering the 2024 year is to be attached to Corporate Plan 2018-23 as an annex, under the direction of the Chief Strategy Officer, with development of a full five-year 2025-30 Corporate strategy and plan to follow.

Progress on Issues identified in the 2021-22 Annual Governance Statement

9. The City of London Corporation has taken action to progress the issues that were identified in the Annual Governance Statement 2021-22, listed below.

Issue identified	Action Taken	Outcome
Refining the Corporation's annual Business Planning Process, to ensure the development of the City of London Corporation Corporate Plan 2025-30	An approach to strengthen and align 2023-24 Business Planning was implemented through a regular, collaborative Officer Forum and through the scrutiny of drafts by the Executive Leadership Board, identifying synergies, opportunities and dependencies. Changes included greater focus on providing insight on medium term plans and workforce planning alongside the finance and strategy development aspects to help inform the ongoing development of future CoLC priorities. Further improvement is to be implemented in the 2024-25 year cycle, linking more clearly in plans the funding and people resources to the priority workstreams, bringing increased assurance of the alignment of cross-cutting activities with resources.	Ongoing
A redesign of the Corporate Performance Framework so it aligns to the development of the City of London Corporation Corporate Plan 2025-30	Activity continues providing support across the organisation to enable teams to identify relevant performance data which they are able to baseline and so monitor activity. The complex challenges of identifying and quality assuring data so that it can be collated and used to monitor activity and performance are being worked through area by area. Uplifting capability on data at team level and identifying relevant management information is critical for an effective performance framework. In parallel, cross cutting performance data has been identified and dashboards and tools are being developed to monitor distinct themes, including monitoring implementation of audit recommendations and completion of mandatory training. See also paragraphs 20-21.	Ongoing
Further work on developing the City of London Corporation's Corporate Risk management approach and culture	Oversight of City Corporation risk management moved on 1 April 2022 from the Internal Audit Team to the Corporate Strategy and Performance Team (CSPT). See also paragraph 29.	
Continuing to strengthen Equality, Diversity & Inclusion	A new EDI Sub-Committee was set up in September 2022, as per a Lisvane recommendation. This group's responsibilities include the creation and implementation of an Equality Diversity and Inclusion governance structure across the City of London Corporation, including its services and its institutions. An Executive Director of EDI was appointed to lead the newly formed EDI directorate. As part of the EDI governance structure a number of new Boards	

	have been established, the EDI Board comprising the staff network leads and sponsors, the Equality representatives network, the EDI Steering Group (CoLC), and EDI Strategic Leaders (Institutions). See also paragraph 37-40.	
Establishing the agreed new Committee Structure and governance arrangements to conclude the implementation of the Lisvane Review	The update on the Committee Structure has been implemented as agreed by the Court of Common Council in December 2021. Given the quantum of changes, Members requested an opportunity for a 'light touch' review of how the new structure was bedding in, with a view of rectifying any matters that were not working as hoped. This light touch review is underway and a summary of further changes to be explored was reported to the Policy & Resources Committee in February 2023 . Progress against the original Lisvane recommendations can be found here . It is intended that this light touch review be concluded by May 2023. See also paragraph 10.	Ongoing
Ensuring continuing compliance with the CIPFA Financial Management Code	During 2022/23 several actions were taken to address the areas for improvement identified in the 2021/22 review including the development of a 60 year financial model to assess the financial sustainability of City Fund linked to the significant financial commitments under its major projects programme, continued reporting of financial risk within the organisation, and the Chamberlain's function beginning its own transformation journey to better support the organisation through these challenges. Some areas remain subject to further improvement including creating VFM training to support existing VFM controls and creating better metrics to measure the outcomes of service activity, which we will seek to address in the following financial year. See also paragraphs 22-25.	Ongoing
Ensuring new Operating Model transition to business as usual and providing an assessment of its effectiveness via a Continuous Improvement and Review process.	Implementing the Target Operating Model (TOM) continues with the majority of departments completing or progressing TOM implementation activity into the final stages during the past year. For the majority of the organisation the TOM is now embedding and starting to become business as usual, so it is too soon to provide an assessment of the effectiveness of the model. However, during the past year individual departments redesigning structures have successfully complied with the predetermined organisational design principles for the new operating model. The TOM is likely to be completed by the end of 2023, with all areas of the organisation expected to have implemented the organisational design principles. See also paragraph 50.	Ongoing

Review of Effectiveness

Governance Key Performance Indicators	Outcome			
Internal Audit Work: as at 31/03/2023, 20 Internal Audit reviews were completed (final reports issued), 70% of which resulted in a Moderate Assurance opinion, a small number of Limited and Substantial Assurance opinions were given. A total of 73 recommendations were raised by Internal Audit, 70% of which were given a Medium priority rating, requiring prompt attention from Management. almost 10% of recommendations raised were High (critical)	Assurance Ratings Provided		Recommendations Raised: 73	
	<div><div>Moderate 14</div><div>Limited 3</div><div>Substantial 3</div></div>		<div><div>52</div><div>15</div><div>6</div></div>	

priority, all of which have resulted in prompt response from management.	
Fraud identification: proven fraudulent activities carried out by members or staff	One case in 2022/23. CoLC has a robust strategy for tackling and preventing fraud and instances of fraud involving staff are rare. One case in the period involving an agency worker was detected quickly as a result of the Corporation's established local counter fraud networks and acted upon immediately by management in consultation with Internal Audit's Counter Fraud Team, leading to the cessation of the agency worker's contract. This case generated further improvements in oversight for working patterns and the City's Counter Fraud Team is taking a leading role for London Boroughs to identify and tackle this fraud risk through data matching and its investment in the London NFI Fraud Hub.
Outcomes of investigations carried out by Monitoring Officer or Independent Panel	In the period 7 complaints were considered by the Independent Panel under the Code of Conduct.
s151 formal issues raised	None in 2022/23
Local Government & Social Care Ombudsman referrals (where upheld)	Compliance with recommendations – 100%
Meeting statutory deadlines/targets as per Electoral Commission Performance Standards	2022: The Electoral Services team carried out 13 elections across 32 wards (some wards had multiple elections), the most in a single London area, to the national standard. See also paragraph 15.
Freedom of Information and Environmental Information Regulations	2022: 93.93% of FOI and EIR requests (1154 requests received) were responded to within the statutory compliance deadline. Information Commissioners Office target: 90% of FOIs responded to in time. 2022: 10 Complaints were received concerning request responses of these 50% (5 complaints) were upheld, 20% (2 complaints) were partially upheld, 30% (3 complaints) were not upheld.

Member governance

10. Robert Rodgers, The Lord Lisvane, was commissioned to undertake [an independent review of the City Corporation's governance arrangements](#) in 2019. His findings were received in September 2020. The review was scrutinised by the Court of Common Council through regular Member Engagement Sessions; each aspect of the review and the Court's decision-making arrangements was explored in detail and views were sought on revising the committee structure and governance arrangements to be a more effective, efficient and relevant decision-making structure. Initially, up until 31 March 2021, consideration had been given to the organisation's constitutional arrangements and support given to the abolition of the Standards Committee and the Standards Appeal Committee, the introduction of Independent Panels to receive allegations of misconduct, determine whether to investigate, present findings to the Court, and hear any appeal; the creation of the now-named Competitiveness Advisory Board as well as an Emergency Committee to provide Member oversight in emergency situations in future. In December 2021, further changes were agreed upon by Court and full implementation of a revised structure was implemented after the 2022 Ward elections. A 'light touch' review is currently underway, which seeks to address areas which are identified as problematic, and an urgent focused assessment will be conducted to recommend changes to the appropriate body. This anticipates a more comprehensive review which is currently due to be undertaken in 2024.
11. Business as usual (annual) reviews into the various thresholds and responsibilities captured within the [Scheme of Delegations](#) and [Standing Orders](#) is also underway. In October 2022, new Planning governance arrangements were agreed and implemented by the Court of Common Council with immediate effect. Work on the

current housing governance structure is still underway and it is hoped that it will be delivered for April 2023. Separately, a review led by the Chief Operating Officer has been undertaken into Project Governance.

12. In February 2023 members agreed a proposal to introduce an electronic voting system, capable of recording individual votes, that would replace the current voting procedure as laid out in paragraph 4 of Standing Order No.14. The use of e-voting at Court of Common Council is to be operational from its May 2023 meeting.
13. 2022 also saw the appointment of a new [Chairman of Policy & Resources Committee](#) who, for the City Corporation, acts as lead Member & the de factor political leader. [Policy & Resources Committee](#) elected a Deputy Chair and two Vice-Chairs in line with changes undertaken following the Lisvane review (previously 3 Deputy Chairs). Following a recommendation in the Fraser Review, an expanded Office of the Policy Chairman was developed to provide central diary, briefing and policy support to the Chairman, in recognition of the substantial burden of the office and the importance of the role of Policy Chairman to the Corporation's wider objectives and relationship and political management.
14. A Lisvane recommendation endorsed by the Court of Common Council was the use of Members in a "rapporteur" role. Proposed in the context of the considerable workload that would continue to fall upon Chairs of Committees, it was suggested general Committee Members be asked to take the lead on particular subjects within a Committee area of responsibility. This happened to some extent already but, in the context of smaller Committees, might benefit from being used more extensively. For Policy and Resources Committee it was observed that this provided a constructive mechanism to not only help share the workload (particularly given the move to one Deputy Chairman, away from the three previously utilised), but also afford the opportunity to utilise the diverse talents and expertise of different Members in a more effective way. Policy Leads are appointed annually by the Policy and Resource Committee from amongst the membership of a full Court. Appointments are considered on the basis of recommendations from a selection panel, which reviews expressions of interest from the Court against specified criteria. Four of the policy leads (on Emerging Markets, Advanced Markets, Innovation & Tech and Sustainability) provide expert advice and guidance to officers operating across existing work streams. Two others (Sports, SMEs) provide member oversight to officers' developing areas of work. The Policy and Resources Committee receive a Policy Leads Quarterly update. The first update in January 2023 set out what guidance and governance has been put in place, what early activities the Policy Leads have engaged in and the future priorities that have been identified in each area.

Policy Leads Overall Responsibilities
<ul style="list-style-type: none"> • To act as a senior spokesperson for, and represent the views of, the Committee in respect of the relevant policy area for which they have been appointed Lead. • To support the Chairman in the formation and delivery of the Committee and Corporation's policy goals (within the relevant policy area). • To deputise for the Chairman at relevant engagements or hospitality events (in the absence of the Deputy / Vice Chairmen). • To act as spokesman on behalf of the Chairman in their absence (and the absence of the Deputy / Vice Chairmen). • To act as a point of contact or "sounding board" for relevant officers, providing political steers in relaying the Committee's views, so as to inform implementation and prioritisation at the operational level. • To act as the Member point of contact for colleagues interested in the policy area, assisting with information sharing and triaging of questions to relevant technical officers. • To support and co-ordinate political decision making between and for relevant Committee Chairs. • To lead on the collation of insight and expertise from Members across the wider Court with relevant knowledge or experience of the policy area. • To work with colleagues outside of the formal meeting setting to share information / understanding, enabling Members to coalesce around the agreed policy decisions and implementation plans

Code of Conduct (Independent Panel)

15. The [Independent Panel](#) comprises a diverse group of independent persons appointed by the Court of Common Council following a transparent advertising and recruitment process. Its membership is currently in the process of being expanded from nine to twelve independent persons. Its purpose is to receive allegations of misconduct under the Members' Code of Conduct, facilitate informal resolution where appropriate, determine whether to investigate allegations, consider the outcome of investigations and if necessary, hold a hearing and any appeal and present recommendations to the Court regarding breaches of the Code and any sanctions. The regime involves a three-stage process: an assessment stage, a hearing stage and an appeal stage which are considered by separate Sub-Panels. The Panel is also responsible for considering requests for dispensations. Other elements of the former Standards Committee's work are currently retained under the auspices of the Civic Affairs Sub-Committee of the Policy and Resources Committee e.g. promoting and maintaining high standards of conduct by Members and Co-opted Members and keeping under review and monitoring the following:

City of London Corporation's
Member Code of Conduct
together with any guidance

City of London Corporation's
Employee Code of Conduct by way
of an annual update by the
Director of HR

The Protocol on
Member/Officer Relations

Training Members and Co-opted
Members on matters relating to the
City of London Corporation's Code
of Conduct

Electoral Arrangements

16. The City Corporation administers electoral registration and elections in the City of London and maintains a database of organisations and individuals in the City of London who are eligible to register to vote. Three separate registers are maintained: the Common Hall Register of Liverymen, the Ward Lists and the Electoral Register. Information on [the electoral process and how to vote](#) is published on the City Corporation website, as are the details of forthcoming elections and [election results](#). The electoral process remains robust, despite the multiple legislative locations and legislative divergence with the national position. Aldermanic elections and Common Council by-elections were held in a number of wards in the 2022-23 year. We saw an increase in diversity of candidates and maintained a legitimate turnout at elections despite the challenges faced with an annual register. The Ward List increased again for the second year in a row and is at its highest since 2016. Preparations are in hand for the introduction of the Elections Act in 2023, to ensure that the City of London Corporation fully complies with the new legislation, and for the next UK Parliamentary General and GLA elections in 2024 and the next City of London all-out elections in 2025.

2022-23 Aldermanic elections

May 2022
Aldersgate
Cordwainer
Cornhill

July 2022
Bridge and
Bridge
Without
[Walbrook](#)

September 2022
Bishopsgate
[Cripplegate](#)

December 2022
Farringdon
Without
[Queenhithe](#)
Aldgate

2022-23 Common Council By-elections

September 2022
Cordwainer

November 2022
Bridge and
Bridge
Without

March 2023
Castle Baynard
[Cripplegate](#)

17. [Common Hall](#) is one of the assemblies through which the City Corporation operates and is a meeting of the Liverymen of the City of London Livery Companies, held at Guildhall twice a year, to elect officers of the City including the Sheriffs and the Lord Mayor. The annual [Aldermanic Appraisal Process](#), including job descriptions and person specifications for the role of Alderman, Aldermanic Sheriff and Lord Mayor, forms part of the City Corporation's corporative governance information. The Lord Mayor is elected annually at Michaelmas, on 29 September, and the City's Sheriffs are elected after Midsummer day on 24 June. Sheriffs support the Lord Mayor in their official duties undertaken on behalf of the City Corporation. Aldermanic terms of office are again regularised, following earlier disruption due to the pandemic.

Officer governance

18. In December 2022 the Town Clerk and Chief Executive retired after ten years in role leading the City Corporation as Head of the Paid Service. The Deputy Chief Executive provided interim cover until the appointment of a new [Town Clerk and Chief Executive](#) took effect in February 2023.

The second proclamation of King Charles III

19. The City of London Corporation, as a unique and ancient institution with more than a thousand years of history and as the governing body of the City of London, has an important role in the UK's constitution. The second [proclamation](#) of King Charles III as sovereign (after the first proclamation at St James's Palace) took place outside the Royal Exchange in the City of London on 10 September 2022. Given the ceremonial, security and logistical complexities of the operation involving a wide range of Corporation departments tasked with delivering such a nationally significant occasion at short notice, it was much appreciated that a large number of highly positive comments were received from Members and external stakeholders.

Performance Management

20. Work to improve management information and develop a framework for corporate performance further developed over the past year. Activity has taken place under three themes (recognising there are different levels of maturity within the organisation in relation to monitoring and use of data and management):
- delivering capability at team/departmental level,
 - developing data resource at organisational level, and
 - identifying ways of developing a top-down performance approach for the organisation that can be integrated into the business planning process.
- ELB discussions agreed to focussing on these areas and that datasets would be made available by departments to progress performance work.
21. Support continues to be provided for teams ready to build up their capability on data, through workshops that support the identification of management data relevant to measuring localised activity and performance and set up processes for collecting, collating, using and visualising this. This data will provide the baseline for localised performance management, regular reporting and future modelling activity once the datasets are rich enough, and be closely tied in to business planning. A corporate dashboard, the City Intelligence Dashboard (CID) has been developed and is accessible to all staff via the City of London Corporation's intranet. Version 1 is designed to show footfall and activity levels within the square mile, and will gather data over time to build a rich dataset to help understand and model activity in the city. Work has taken place to identify existing cross-cutting datasets that can form part of an overall framework to understand top-down corporate performance, with the intention of developing useable dashboards once data quality issues have been resolved, and which may also provide the method for performance measurement in Corporate Plan 2025-30.

Financial Management Arrangements

22. The Chamberlain is the Chief Finance Officer in accordance with section 151 of the Local Government Act 1972 and has overall responsibility for the proper administration of the City's financial affairs. CIPFA's 2010 Statement on the Role of the Chief Financial Officer in Local Government defines the key responsibilities of this role and sets out how the requirements of legislation and professional standards should be met. The City's financial management arrangements were reviewed and found to conform to the governance requirements of the Statement. The Chamberlain also fulfils the role of Treasurer of the Police Authority. Compliance with [CIPFA's Financial Management Code](#) was reviewed and areas for action in relation to this were determined.
23. The City Corporation culture is to maximise returns from its resources and seek value for money. It assesses the scope for improvements in efficiency/value for money by a variety of means, including improvement priorities set by the Policy & Resources Committee through the annual resource allocation process. [The Operational Property and Projects Sub Committee](#) meets monthly to ensure that projects align with corporate objectives and strategy and provide value for money. The [Capital Buildings Board](#) provides oversight for the major programmes, meeting every two months, supported by a monthly Major Programme Assurance Board.
24. In light of the economic climate, the City Corporation conducted a review of its capital programme to assess the financial sustainability of the current portfolio in light of inflationary pressures. The review resulted in pauses to previously agreed projects and a reprioritisation of funds to projects deemed as higher priority. Future capital bids will be limited to only essential projects, recognising that inflationary pressure may persist, and that a focus should be on delivery of existing schemes rather than adding new ones. Careful monitoring has also been undertaken on revenue spend to ensure department operate within their cash limits whilst continuing to deliver services to residents and businesses. Assumptions within our medium term financial forecasts have been updated to reflect the economic environment to ensure a realistic picture is drawn when assessing financial sustainability.
25. The City of London Corporation has also established a Resources and Priorities Refresh (RPR) Programme which builds on themes from previous reviews through four workstreams - Operational Property; Commercial, including Income Generation; Productivity; and Corporate Plan Annex 2024 - that will enable it to be better equipped for current and future challenges.

Procurement

26. The Procurement Code sets out the requirements of the Corporation's standing orders in regard to procurement and contract management. The Procurement Code was updated following the implementation of the TOM and the new arrangements went live in January 2023. The changes to the Procurement Code have been supported by the development of a business partnering approach within the Commercial Service, relaunch and strengthening of arrangements for Category Boards and comprehensive communications and engagement to ensure the changes are understood and an effective assurance framework is in place. New and comprehensive guidance that enables officers to access guidance and learning opportunities through bite-sized focussed sessions as part of our new Commercial Academy has also been developed.
27. Further changes to the Procurement Code are anticipated in 2023 in response to the Procurement Bill that is currently being debated in Parliament. Progress of the Bill is being closely monitored at the Commercial Service is engaging with the Government Commercial Function to access preparatory development sessions.

Key updates included

- Rule 15 procurement thresholds and procedures: The Operational Purchasing threshold has been raised from £50,000 to £100,000 which devolves responsibility for purchases under £100,000 to departmental Officers.
- Rules 46 – 55 Responsible Procurement: Rules updated to ensure departments consider the commitments of the Responsible Procurement policy and weighting when awarding contracts from external frameworks, waivers and exemptions. The minimum Responsible Procurement weighting for evaluation has increased from 10% of the technical envelope to 15% of the overall score in line with the new Responsible Procurement Policy approved by the Policy & Resources Committee in July 2022.
- Terminology throughout the Procurement Code has also been updated to reflect internal changes as a result of the TOM; reference to EU & OJEU has been replaced with the UK Find a Tender Service portal (FTS); and Project Sub Committee has been replaced with Operational Property and Projects Sub Committee.

Increasing transparency and consultation in the planning process

28. The City of London Corporation recently consulted on a new [Statement of Community Involvement](#), which sets out the processes for how the Corporation will publicise planning applications and engage people as we develop new strategies and policy documents. The Corporation also published [draft Developer Engagement Guidance](#), setting out how we expect developers to undertake meaningful public consultation at the early stages as they develop proposals for new development. The Corporation has procured [Commonplace](#), a well-established online engagement software platform, and is setting it up to use on future planning consultations, particularly new planning guidance, the City Plan, and other projects run by the Planning Service. This will give stakeholders a single 'shop window' for planning consultations, with a user-friendly interface, and much more functionality to share ideas and give feedback online compared to traditional consultations.

Risk Management

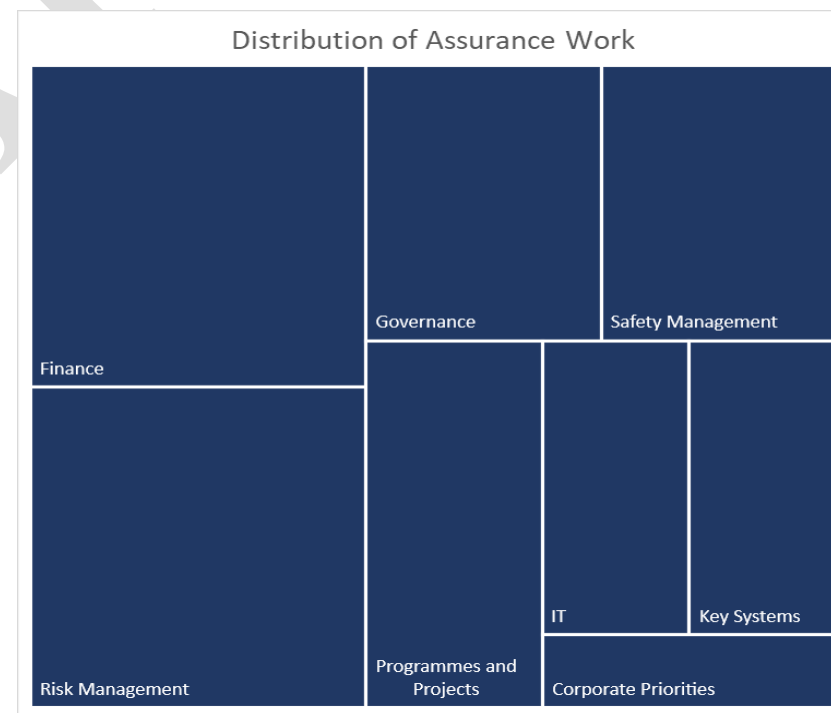
29. As part of the Target Operating Model (TOM), oversight of City Corporation risk management moved on 1 April 2022 from the Internal Audit Team to the Corporate Strategy and Performance Team (CSPT). This was to support City Corporation efforts to tackle and exploit current and future challenges through an integrated, professional and insight led approach to corporate strategy, planning, risk management and performance. Risk management officer governance structures were also reviewed and updated terms of reference issued for the Chief Officer Risk Management Group (CORMG) clarifying their role as senior officers accountable for oversight of risk management on behalf of the Executive Leadership Board (ELB). CORMG met regularly during this period, with risk reports issued to ELB on the management of corporate and top red departmental risks and developing risk areas. A key focus was work on risk management culture to ensure we had an agile and responsive approach to risk management, and that risk 'themes' were identified and managed across City Corporation. Training was arranged for officers in support of this, with more sessions due later in 2023. Risk appetite has separately been identified as a key deliverable for FY2023-24.

Audit and Risk Management Committee

30. Risk management arrangements are reviewed annually by the [Audit and Risk Management Committee](#) which has a wide-ranging but focused brief that underpins the City of London Corporation's governance processes. The Committee continued to play an important and integral part in ensuring key risks were reviewed through regular risk updates and deep dives of corporate risks on a rolling basis. These corporate risk deep dives are now carried out by the Internal Audit Team to provide an additional level of assurance.

Role of Internal Audit

31. Internal Audit has provided independent and objective assurance across a range of City Corporation activities and services.
32. The diagram opposite indicates the broad categorisation of assurance work within the Internal Audit programme of work.



33. For 2022-23 the Internal Audit work has been driven by an ongoing assessment of risk and priorities. In practice, this has resulted in a move away from a detailed 1 year audit plan, working instead to a rolling quarterly plan with a statement of intent for a further 6 months, this has proven to be a more agile and dynamic process and has enabled better prioritisation of resources. The Head of Internal Audit has worked with the full engagement and support of the Audit and Risk Management Committee, with updates provided to each Committee meeting. Internal Audit implemented a new approach to provide assurance in relation to the management of Corporate Risk, providing objective scrutiny and clear escalation of concerns to Senior Leadership and the Audit and Risk Management Committee.
34. In accordance with the requirements of the Public Sector Internal Audit Standards, an annual self-assessment has been undertaken and confirmed that the City Corporation's Internal Audit function conforms with the requirements of the standards. An External Quality Assessment will be undertaken to validate this review by the end of July 2023.

Key Governance Issues

Health & Safety Review

35. The Corporate Health, Safety and Wellbeing Committee met quarterly in 2022-23. The revised Terms of Reference were reviewed approved by the Committee in December 2022 to ensure the Committee is well placed and effective in supporting the City of London Corporation in meeting its health and safety aims and objectives going forward. In December 2022 a Corporate Health and Safety Business Plan setting the overarching direction of travel for health and safety management, including the Governance arrangements, was approved by the Corporate Health and Safety Committee. In December Internal Audit carried out an audit: 2022-23: Corporate Wide Review: Health & Safety – Second Line of Defence. In January 2023 a draft report was submitted to the Chief Operating Officer (Chair of Corporate Health and Safety Committee and Chief Officer accountable for the health and safety business function) and the Corporate Head of Health and Safety. It identified a number of issues on the operational effectiveness of the Corporate Health and Safety Committee, the extent to which health and safety risk are escalated for corporate attention, and level of assurance to the City's Board and Members. The COO and Chair of Health and Safety Committee and the Corporate Head of Health and Safety put in place a plan to address the audit issues and the approved plan is monitored by the Corporate Health and Safety Committee. The audit action plan will contribute to the workstreams outlined in the Corporate Health and Safety Business Plan.

Project Governance Review

36. Following the implementation of the TOM and the creation of a new Project Governance Division, a review of corporate project governance has been initiated. The aims of the review are to ensure effective governance and assurance frameworks are in place to enable successful delivery of projects and programmes delivering best value for the Corporation. The review includes both corporate and major projects which are currently subject to separate governance processes. The review also includes consideration of corporate change (revenue funded) projects which are out of scope of existing governance arrangements. The following intended outcomes were agreed by the Executive Leadership Board and Members (at Operational Property and Projects Sub-committee and Policy and Resources Committee) at the outset of the review:
- The City Corporation is confident project and programmes represent best value and deliver the intended benefits
 - Project governance is risk-based and enables Members to focus on strategic issues and areas of high risk and/or value
 - Members are assured that lower risk/value projects are well managed and that an effective assurance framework exists to identify any potential issues or risks

- Officers are empowered to effectively manage the projects they are responsible for, to take prompt decisions to manage operational risks and, are enabled by corporate systems and financial processes
- The Corporation is clear on the role of the PMO ecosystem and its capacity to fulfil this role effectively
- The project delivery operating model represents value for money with a clearly articulated value proposition

An external consultancy was engaged to lead the initial review phase to ensure understanding of current issues, to identify areas of best practice and to recommend a future operating model. The initial review phase was completed in February 2023 recommending the move to an enterprise-wide portfolio management approach. The Corporation is now beginning detailed design work and the agreement of an implementation plan for delivery in FY2023-24.

Equality Diversity & Inclusion

37. The City Corporation is driving forward Equality, Diversity and Inclusion (EDI) at all levels of the organisation. The new [EDI Sub-Committee](#), set up as per Lisvane recommendations, is led by elected Members and strengthens the EDI governance structure and sets the strategic direction for EDI.
38. From May 2021 to November 2022, City Corporation successfully led the Government-commissioned [Socio-Economic Diversity Taskforce](#) which delivered an industry consultation and roadmap to incentivise employer actions. The [Breaking the Class Barrier](#) report was published in November 2022. Taskforce output included the development of a membership body for financial services known as [Progress Together](#) and a productivity analysis to build the business case for socio-economic diversity at senior management levels.
39. The City Corporation ranked at 67 in the top 75 [Social Mobility Employer Index](#) in December 2022. Efforts to improve diversity and inclusion are also progressed through the City of London Corporation being signatories of charters and accreditations including Women in Finance, Stonewall Diversity Champions, Disability Confident, London Living Wage and the Social Mobility Employers Index. HM Treasury's [Women in Finance Charter](#) commits signatories to support the progression of women into senior roles in the financial services sector by focusing on the executive pipeline and mid-tier level. The City Corporation became a signatory in 2019 and committed to women comprising 45% senior management roles by March 2025. In March 2022, the figure stood at 43%. The Barbican Centre's draft Equality, Diversity and Inclusion proposal was approved by the [Barbican Board](#) in February 2023. It consolidates work delivered over the last two years and demonstrates the ongoing commitment to addressing discrimination of all protected groups in the workplace.
40. The City Corporation's Equality, Diversity, and Inclusion directorate leads on embedding EDI across the Corporation and its institutions. Work has taken place to increase employee engagement and enhance the employee voice, though hosting a [National Inclusion Week](#) Celebration event for the 7 staff networks, facilitating focus groups sessions and workshops with staff, attending and promoting Disability and Wellbeing Network (DAWN) and City of London Ethnicity and Race Network (CLEAR) events and initiatives, presenting at the launch of the Young Employees Network (YEN) in October 2022, and supporting City Pride's float in the [Lord Mayor's Show](#) in November 2022. A Staff Network Handbook and Terms of Reference was created to steer network co-chairs and leads on the purpose of staff networks, facility time, the role of sponsors and the importance of cross collaboration between networks. Implementation of a communications strategy including use of social media, broadcast events, flyers and event booking has increased staff engagement with staff networks. The 'Meet the Staff Network' February broadcast drew 117

attendees and 83% positive feedback. Departmental Equality Representatives meet regularly and departmental Dignity at Work Advisers provide support to staff and aid the organisation in being an employer of choice.

Cost of living pressures and services

41. Recognising the growing cost-of-living pressures over the period, in response a multi-agency steering group was established to oversee immediate and long-term actions, in the areas of communications, targeting financial assistance, winter warmth, tackling food poverty, increasing income from employment and wellbeing, to support residents. Each month, following steering group meetings, an update on the action plan is shared with the Chairman of the Community and Children's Services Committee. A dedicated [cost of living](#) internet page lists the range of support available, including a food pantry initiative, a Green Doctors Scheme to help reduce energy costs and the targeting of the Household Support Fund. There is also focus on improving the maintenance and management of the City Corporation's housing provision, which will be taken forward through a Housing Strategy which is in development.
42. In November 2022, the City Corporation received a focused visit from [Ofsted](#) in line with the [inspection of local authority children's services \(ILACS\) framework](#). Inspectors looked at the arrangements for the 'front door', the service that receives contacts and referrals, and at decision-making about child protection enquiries, decisions to step down or step up from early help and child in need assessments. The inspectors found high-quality practice and responsive front door services, with the right support being delivered at the right time by highly skilled and committed practitioners. The visit also found that external quality assurance activity and oversight by the Achieving Excellence Board (AEB) provide additional scrutiny and assurance, supporting effective practice and decision making for children at the front door.
43. The Afghanistan Resettlement Programme continued to provide support to Afghanistan Refugees in the two bridging hotels in the City of London. During the year, many of these households were moved to permanent accommodation by the Home Office. In September 2022 one the bridging hotels was closed and in February 2023 the second one closed. Any remaining guests were moved to hotels in other parts of the country whilst they waited for permanent accommodation.
44. The City Corporation has also put in place local systems to support families and individuals seeking asylum and refugees, including those who fled the conflict in Ukraine. Information about support for Ukraine can be found on the City of London Corporation website [here](#).

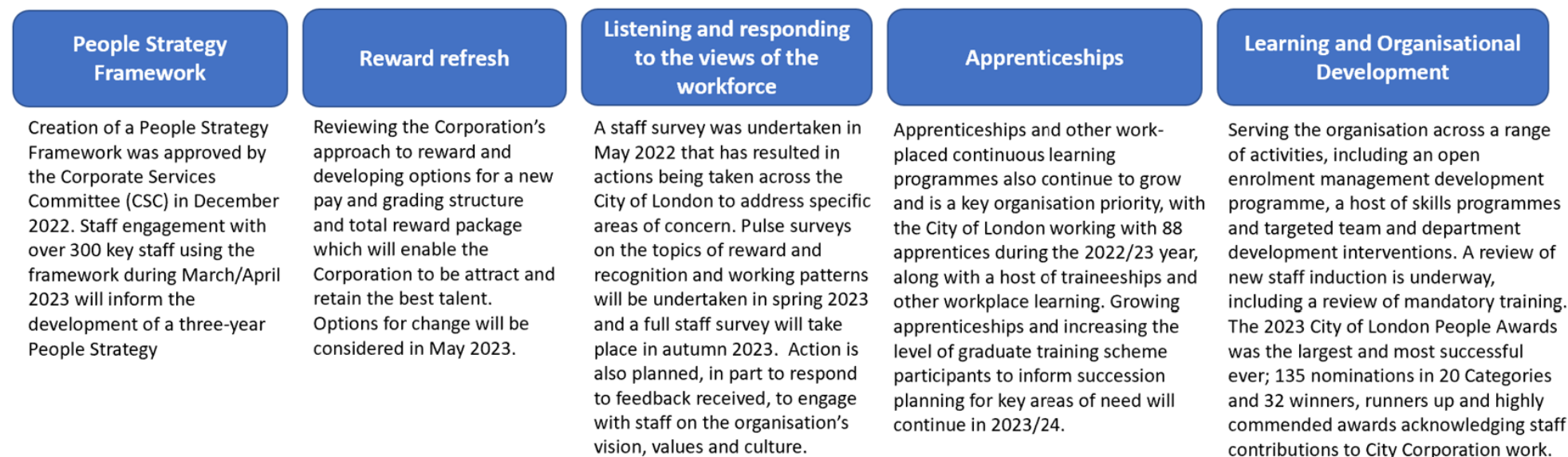
Residents

45. [City-wide Residents Meetings](#) were held in the Guildhall in May 2022 and in the east of the City in the Artizan Street Library in January 2023. These meetings provide residents with the opportunity to ask questions or raise issues about living in the City to the [Policy Chairman](#) and senior officers from the City of London Police and the City Corporation. In response to feedback from residents, and reflecting the importance in which the City Corporation holds the relationships it has with them, more frequent opportunities for engagement with residents and other stakeholders are being arranged in different locations in the city. Increasing the number of residents and stakeholders meetings to four per year, and holding them in different areas to reach more people, is a key part of resetting the relationship, improving communications and enabling communities to hold the City Corporation to account for delivery.

Responding as an employer of choice

46. The Corporation has a Corporate HR Function led by the Chief People Officer. Institutions also have their own HR functions who are professionally accountable to the Chief People Officer for all HR matters. The HR functions provide a range of services to the Corporation which are designed to ensure that leaders and the workforce are effectively supported and that the best talent can be hired, and the Corporation is an employer of choice. The work of the HR function is overseen by the Executive Leadership Board and Corporate Services Committee. The Corporation had an employee turnover rate of 18.69% at the end of 2022. This is a high and

is affected by factors including labour market shortages and high levels. Recruitment and Retention is a Corporate risk and plans to mitigate and address the risk is in place. To support this, additional funding has been provided to increase the capacity of HR function to support and enable Leaders and the Corporation to respond to these challenges through a range of measures which are set out below:



UN Sustainable Development Goals

47. The [UN Sustainable Development Goals \(SDGs\)](#) provide a comprehensive framework for organisations to assess, understand and make a positive impact on the major issues impacting society, the environment, and the economy. As an organisation with reach locally, nationally, and internationally, the City of London Corporation is committed to working towards achieving the SDGs and supporting the [UN Global Compact](#) in its ambition to drive business awareness and action to achieve the SDGs. The City of London Corporation became a signatory to the UN Global Compact in December 2020 and as such is required to report a Communication on Engagement stating how it is supporting the [ten principles](#) – in the areas of human rights, labour, environment and anti-corruption - within two years of becoming a signatory and bi-annually thereafter. The City of London Corporation works collaboratively with a wide range of partners to inspire, develop and act on responsible business. It is committed to creating positive impact across its activities and decisions to ensure a sustainable future where individuals and communities can flourish, and the planet is healthier. Progress in these areas is communicated through key policies, such as the [Modern Slavery Statement](#), commitment to the [London Living Wage](#), and initiatives such as the [Lord Mayor's Dragon Awards](#), which recognise and celebrate businesses that are achieving excellence in social impact and inspire others by sharing best practice. In December 2022 The City Corporation submitted its [first Communication on Engagement](#)

[report](#) as a signatory to the UN Global Compact. An [Ethical Policy Statement](#), which sets in one document, the ethical and responsible principles and aims encapsulated in the City Corporation's plans, activities and strategies, has been developed. It captures the City Corporation's commitment to treating people fairly, being transparent and honest, respecting human rights and the environment and complying with the law and regulation.

Becoming a data driven organisation

48. The City of London Corporation is embarking on a journey to become a data driven organisation, working with a partner to assess the current situation and recommend steps forward to bring value from our data. It is a Microsoft first organisation, with skills in PowerBI & Azure, some of which sit inside the Digital and Information Technology Services (DITS) division, and other skills spread across the organisation. A Data Maturity Assessment will drive a business case to support change which will focus on key challenges that need to be solved, gap analysis of the current and desired position of the City Corporation while identifying good practises and ways to scale this across the organisation and institutions. DITS staff are being included in the future design of the service through regular communications and engagement.
49. Transfer of services from our managed service provider back in house or to alternative suppliers is continuing. Approximately 20 staff will be transferred through TUPE, which is to complete by August 2023. A new IT Service Management Tool has been provisioned and will continue to be enhanced to better exploit opportunities for automation and improved self service. Following on from the transition of IT services in house, DITS is relooking at what functions are required, if they should they be delivered in-house or by a partner and the optimal team structure to deliver these services. Corporation-wide engagement will enable users to co-design the future delivery model. There are IT Teams and functions and pockets of IT spend across the organisation. Work is in progress to examine functions that might be combined to and bring greater standardisation and sharing and provide a more effective and efficient IT service for the entire of the Corporation. There is a particular focus on Cyber Security where minimum security standards and a shared security operations centre are being investigated. DITS is deploying several new technologies across the organisation. The organisation will require support to adopt these new technologies, and to use them in an effective manner. DITS is investigating putting together a team that will focus on working across the organisation to assist with embedding these new technologies in the workplace.

Target Operating Model

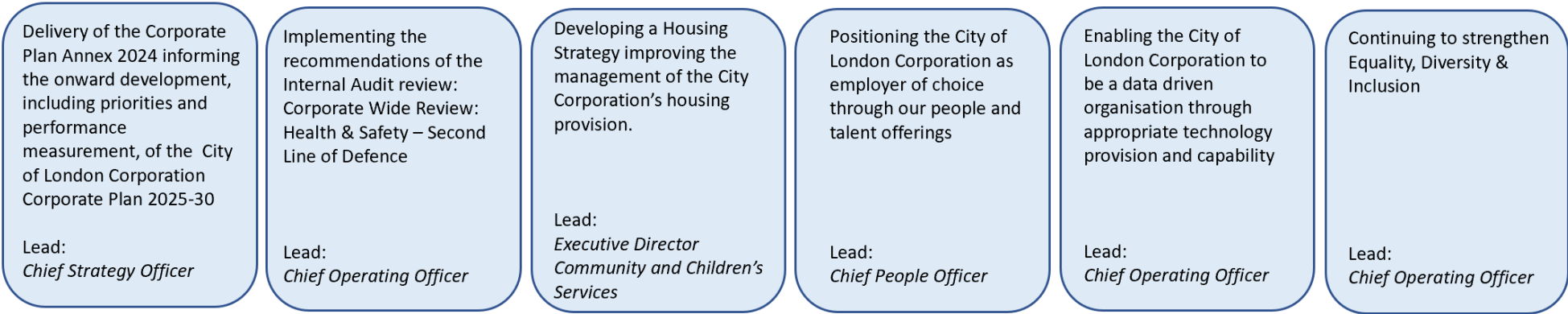
50. Implementation of the Target Operating Model (TOM) has continued, as have efforts to implement the budgetary reductions approved alongside the TOM. The programme was originally due to complete by the end of March 2022, when the TOM Programme Management team was stood down, however, due to its complexity and scale, this has taken longer, and is now anticipated to draw to a close by the end of 2023. Parts of the organisation are still due to develop their second phase of TOM plans (the first phase of plans referring to the completed Chief Officer level restructuring): City of London Police, Bridge House Estates and



Barbican. A small number of departments are currently mid-way through implementing their second phase of TOM plans, including Environment, City Surveyors, Chamberlains (for financial services), Chief Operating Officer (for Human Resources); Schools are mid-way through agreeing and signing off their phase two plans. Officer and Member governance continues to be provided through the Design Advisory Board, and relevant Committees. An [interim report on the status of the TOM](#), including detail on where savings have been made and what has been achieved to date went to Finance Committee (February 2023), Corporate Services Committee (March 2023) and Policy and Resources (March 2023). A final report will follow in summer 2023. The TOM programme, covering departmental restructures and associated savings requirements, are expected to finalise by the end of 2023.

Accountability and Action Plans

51. The City Corporation proposes over the coming year to take the following actions to address these key governance issues:



52. This annual governance statement was approved by the City Corporation’s Audit and Risk Management Committee on 12 May 2023 (TBC).

Christopher Hayward
Chair, Policy and Resources Committee
Date: xx May 2023

Ian Thomas
Town Clerk and Chief Executive
Date: xx May 2023