

Committee(s): Gresham (City Side) Committee	Dated: 26 May 2023
Subject: Risk Management Update Sir Thomas Gresham Charities (Registered Charity Number: 221982)	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly insofar as they are in the best interests of the charity to support?	3 and 4
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: Town Clerk Chamberlain Director of Community and Children's Services City Surveyor	For Decision
Report Author: Benjamin Chen-Sverre, Chamberlains Department	

Summary

This report provides a key risks register for the Sir Thomas Gresham Charities (Registered Charity Number: 221982) for decision. The risk register has been revised in line with the approach outlined in the Charities Risk Management Protocol (CRMP) endorsed by Audit & Risk Management Committee in January 2023. The CRMP is based upon the City Corporation's Risk Management Policy and Strategy 2021 and the Charity Commission's CC 26 Risk Management guide and aims to provide a consistency of approach in managing charitable risk, ensuring that risks are considered in the best interests of that charity by the City Corporation in its capacity as charity Trustee.

The key risks register contains five risks and is attached as Appendix 2 for your review. One risk has been added and one risk has been removed since the previous annual review on 27 May 2022.

Recommendations

Members are asked, acting for the City of London Corporation as trustee of the Sir Thomas Gresham Charities (Registered Charity Number: 221982) and being satisfied that it is in the best interests of the charity and its beneficiaries, to confirm:

1. That the draft risk register attached as Appendix 2 satisfactorily sets out the risks faced by the charity; and
2. appropriate measures are in place to mitigate those risks.

Main Report

Background

1. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), Trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks.
2. The Charities SORP requires that the register is reviewed annually to ensure that existing risks are reconsidered and any new risks are identified. Accordingly, this report provides a key risks register for the Sir Thomas Gresham Charities (Registered Charity Number: 221982) for approval.
3. On 16 January 2023 Audit and Risk Management Committee approved a Corporate Charities Review recommendation for a Charity Risk Management Protocol (CRMP), aligned to the City Corporation's Risk Management Strategy. The CRMP provides a consistency of approach in managing charitable risk, ensuring that risks are considered in the best interests of that charity by the City of London Corporation in its capacity as charity Trustee.
4. The CRMP provides a common list of risks based on Charity Commission guidance, to be applied as relevant to a charity and its circumstances at the relevant time. The key risks register for the Sir Thomas Gresham Charities has been reviewed by Officers and revised accordingly.

Review of Risks

5. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised green, amber or red.
6. The revised draft risk register to be reviewed by the Gresham (City Side) Committee is set out in Appendix 2. Once approved the risk register will be updated on the City's risk management system 'Pentana'. The register contains five risks as summarised below:
 1. Threat of accident or injury at the almshouses – overall risk score of Green (4);
 2. Almshouses unusable due to poor maintenance – overall risk score of green (4);
 3. Degradation in the number, quality or performance of Gresham professors – overall risk score of green (2);
 4. Loss of rental income – overall risk score of green (1);
 5. Risk of failing to comply with the Charity's governing document – overall risk score of green (2);

7. Each risk in the register has been considered by the responsible officer within the City Corporation who is referred to as the 'Risk Owner' in the register.

Changed risk Scores

8. Risk 4 has been adjusted from green (3) to green (1) as the minimum ground rent from the Gresham Property Estate of £730k means a significant reduction in income would be considered rare/extremely unlikely.
9. There has been a new risk added (Risk 7) since the previous annual review on 27 May 2022 relating to the need for an ongoing review in order to ensure understanding and compliance with the charity's governing document.
10. One risk has been removed (Risk 6) as it related to the safeguarding of residents affected as a result of COVID-19 restrictions.
11. All other risks and scores remain unchanged.

Conclusion

12. This report seeks to ensure that the Charity is meeting regulatory requirements on risk management by seeking Member approval on a draft risk register attached as Appendix 2.

Appendices

- Appendix 1 – standard risk matrix
- Appendix 2 – new Draft Risk Register

Background Papers

Report to Audit and Risk Management Committee, entitled Establishing a Charity Risk Management Protocol, dated 16 January 2023

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