

City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee – For Decision City Bridge Foundation Board– For Decision City of London Police Authority Board– For Decision	Dated: 4 November 2024 27 November 2024 4 December 2024
Subject: City of London Corporation Risk Management Policy	Public report: For Decision
This proposal supports the successful delivery of all six Corporate Plan outcomes and our statutory obligations through providing a business enabling function and framework to identify and manage risks to our objectives.	Corporate Risk Management
Does this proposal require extra revenue and/or capital spending?	No
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:	Dionne Corradine, Chief Strategy Officer
Report author:	Jess Roberts, Corporate Strategy Officer (Engagement)

Summary

The draft Risk Management Policy outlines the City of London Corporation’s risk management framework and expectations. It has been updated in line with the overarching approach in the City Corporation’s Risk Management Strategy 2024-2029, taking account of other key strategic and risk-related documents (internal and external).¹ It applies to the whole of the City Corporation and helps support the successful delivery of our services and strategic objectives.

Input has been received from across City Corporation when preparing this policy to ensure it provides applicable guidance across our remit and reflects points made by Officers and Members on the risk management process.

This report seeks endorsement of this draft policy from the Audit and Risk Management Committee. As it applies across City Corporation and noting their separate risk reporting governance structures, endorsement is also sought from the City Bridge Foundation Board and City of London Police Authority Board.

¹ e.g. City of London Corporation Corporate Plan 2024-2029; City of London Police Risk Management Framework; City of London Corporation Charity Risk Management Protocol; UK Government - The Orange Book; Charity Commission CC26 Charities and Risk Guidance

Recommendation(s)

Members are asked to:

The **Audit & Risk Management Committee**:

- Endorse the draft Risk Management Policy
- Authorise the Chair and Deputy Chair of Audit and Risk Management Committee to agree any minor changes to the content of the draft document, subject to comments from the City Bridge Foundation Board and City of London Police Authority Board.

The **City Bridge Foundation Board**, in the discharge of functions for the City Corporation as Trustee of City Bridge Foundation and solely in the charity's best interests:

- Endorse the draft Risk Management Policy to apply to City Bridge Foundation.

The **Policy Authority Board**, in the discharge of functions for the City Corporation as Police Authority:

- Endorse the draft Risk Management Policy to apply to the City of London Police.

Main Report

Background

1. The City Corporation's current risk management policy was last endorsed by the Audit and Risk Management Committee in May 2021 as part of the City of London Corporation's Risk Management Policy and Strategy.² When working on the update last year, it was decided that subsequent versions would be better divided into separate strategy and policy documents, reinforced by standalone guidance. This helps us to clearly outline our overarching aims in this area, whilst also providing the right structure and support to City Corporation.
2. A new Risk Management Strategy 2024-2029 was endorsed on 13 May 2024 by the Audit and Risk Management Committee.³ This draft Risk Management Policy supports the delivery of this strategy by providing our risk management framework and expectations in relation to our organisational approach.
3. The policy was developed in consultation with risk leads and practitioners from across the City Corporation's Departments and Institutions. This included targeted engagement with the Chief Officer Risk Management Group, the Risk Management Forum and risk leads within Departments and Institutions that hold a substantial number of risks or have different risk reporting mechanisms, such as City of London Police and City Bridge Foundation. It also reflects the input

² [Agenda item - City of London Corporation Risk Management Policy and Strategy - Modern Council](#)

³ [Agenda item - City of London Corporation Risk Management Strategy 2024-2029 - Modern Council](#),

received from Members on any gaps and/or opportunities to improve our risk management structure and processes.

The Policy

4. A robust risk management culture and framework is key to achieving our strategic objectives, not least in ensuring that decision-makers have the information they need to make strategic and operational decisions. This policy details the risk management responsibilities and processes required to identify and mitigate risks on a day-to-day basis. It highlights best practice, introduces risk identification techniques and outlines our governance and lines of reporting.
5. The following assumptions underpinned the development of the policy:
 - a. The overarching risk management framework and expectations should apply across the City Corporation's Departments and Institutions to ensure commonality of approach and underpin development of the right organisational risk culture.
 - b. There can be flexibility in the way in which the framework is applied within each area to achieve the required outcomes, according to their structure and reporting requirements.
 - c. Chief Officers and Heads of Institutions will be collectively responsible for upholding the policy and ensuring it is applied within their areas.
 - d. All Officers should be aware of the policy and how this helps us to achieve our objectives.
 - e. Regular reporting (to Officers and Members) is essential, both for assurance purposes and to extract strategic benefits.
 - f. Our commitment to openness and transparency in governance should be appropriately reflected in risk management reporting.
6. The Draft Risk Management Policy consists of:
 - a. Risk Management Policy Statement
 - b. Snapshot - What is risk management?
 - c. **Section 1:** Risk Application, Roles and Responsibilities
 - d. Snapshot - Thinking about risk – a beginner's guide
 - e. **Section 2:** Risk Management Process
 - f. Snapshot - What are 'positive opportunity' risks?
 - g. **Section 3:** Risk Management Governance and Reporting
 - h. Annex - Further Reading
7. The draft Risk Management Policy differs from the 2021 policy as follows:
 - a. Separation of the overarching Risk Management Strategy from the Risk Management Policy to improve ease of access and clarity of messaging.
 - b. The content, style and format reflect officer feedback to improve its useability and increased understanding of risk management (supporting an approach led by culture, not process alone).
 - c. The sections are designed to stand alone to assist with ease of reference for specific queries.
 - d. Risk appetite statements are being developed separately and will sit alongside the policy (not within it), subject to frequent review to ensure they remain relevant.

8. The Risk Management Policy together with the overarching Risk Management Strategy, helps address the findings and recommendations flagged by both internal and external audit reports. In addition to socialisation activities to ensure the Policy is embedded within City Corporation (see paragraph 13), we will also be monitoring adherence/compliance through the data on our electronic risk management system (qualitative as well as quantitative), as well as through interaction and engagement with Officers. Progress will be flagged to the Chief Officer Risk Management Group and the Executive Leadership Board/Senior Leadership Team, as required. It will also be included in annual reporting on the Risk Management Strategy 2024-2029 action plan.

Governance

9. The Risk Management Policy was discussed and approved by the Chief Officer Risk Management Group on 3 October 2024.
10. The City of London Police and City Bridge Foundation produce standalone risk reports and their risks are not routinely reported into Audit & Risk Management Committee. The City of London Police Authority Board and the City Bridge Foundation Board are therefore being asked to endorse the policy to reflect our united approach on risk management aims, framework and process, while enabling flexibility in relation to local needs.
11. We have taken account of any differences in governance (e.g. in relation to charity risks) when drafting the policy and ensured that these are reflected in the document, consulting with the relevant areas and Governance and Member Services on this aspect.
12. The policy will be reviewed on an annual basis. Any significant changes will be reported back through the appropriate governance channels.

Next steps

13. Once approved, the Risk Management Policy will be socialised within the City Corporation. This will include publication on intranet pages, dissemination via internal communications channels and targeted engagement with risk leads (via Chief Officer Risk Management Group and the Risk Management Forum).
14. Additional risk management training and guidance will be developed by officers in the Corporate Strategy and Performance Team to support both the Risk Management Policy and the Strategy. Progress on this will be reported to the Audit & Risk Management Committee within regular Risk Management Update reports.

Changes to draft policy post-Audit and Risk Management Committee

15. The Audit and Risk Management Committee approved the draft policy at its meeting on 4 November 2024, subject to some minor amendments. These are reflected in the draft at Appendix 1 and comprise:
- a. Page 4: The reordering of the ‘what is risk management’ section to put the risk explanation up front and add an extra ‘events’ to the para on risk management for clarity (‘assess how important these events may be’).
 - b. Page 9, bullet 2: ‘Want to go a little wider?’ to ‘How to go a little wider’.
 - c. Page 10, final sentence: Risk appetite explanation changed to reflect wording on page 4.

Corporate & Strategic Implications

Strategic implications

The Risk Management Policy supports the delivery of the City of London Corporation’s Corporate Plan 2024-2029 outcomes and our statutory obligations by ensuring we have the right framework to identify and manage our risks.

For City Bridge Foundation, the Risk Management Policy supports the delivery of its overarching strategy, Bridging London 2020–2045.

Financial implications: None

Resource implications; None

Legal implications

The Risk Management Policy seeks to meet its obligations in line with the Accounts and Audit Regulations 2015 to have “effective arrangements for the management of risk”, as well as legal responsibilities in relation to Charity Trustees.

Risk implications

The Risk Management Policy is a key element of the City Corporation’s corporate governance and internal control framework, alongside the Risk Management Strategy 2024-2029 and forthcoming guidance, and will help to ensure appropriate and comprehensive management of all City Corporation risks.

Equalities implications; None

Climate implications: None

Security implications: None

Conclusion

16. This report provides the draft Risk Management Policy and outlines the approach to its development and the socialisation of this once agreed.

17. Committee endorsement will enable the Risk Management Policy to be finalised for adoption across the City Corporation, underpinning the risk management approach, processes and culture.

Appendices

Appendix 1 – Draft Risk Management Policy (post A&RMC version)

Background Papers

- [Endorsement of previous Risk Management Policy and Strategy](#) – Audit and Risk Management Committee 25 May 2021
- [Endorsement of Risk Management Strategy 2024-2029](#) – Audit and Risk Management Committee 13 May 2024.

Jess Roberts

Corporate Strategy Officer (Engagement)