

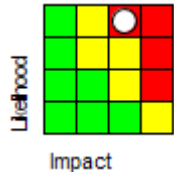
## Finance Committee - Detailed Report

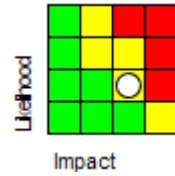


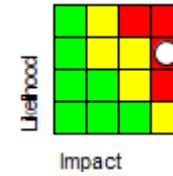
Rows are sorted by Risk Score

### Risk Level Description Corporate

Risk Code	CR35	Risk Title	<i>Unsustainable Medium Term Finances - City Fund</i>
Description	<p><b>Causes:</b> Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth. The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p><b>Event:</b> The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit.</p> <p><b>Effect:</b> Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community. Challenges in executing the capital program and major projects within affordable limits.</p>		

<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>24</b>	Possible	Extreme
Red	<b>Creation Date</b>	19-Jun-2020

<b>Latest Note</b>	<p>Government have confirmed the Business Rate reset in April 2026. Government are consulting on the fair funding review and outcomes will be confirmed in the Local Government Settlement in the Autumn. There is likely to be transitional funding which will reduce the risk in the short term, but we await the Settlement for confirmation of impact.</p> <p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2025/26 through carried forward from 2024/25 underspends. Pressures on adult social care, children services, security and policing continue and are addressed through increase in taxes and business rates premium.</p> <p>. The medium-term financial plan includes:</p> <ul style="list-style-type: none"> <li>• Reprofiting of cyclical works programme to cover bow-wave of outstanding works and provision for works going forward.</li> <li>• Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</li> <li>• Quarterly monitoring of capital programme against budgets.</li> <li>• Securing income generation opportunities.</li> </ul> <p>Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.</p>	<b>29-Aug-2025</b>
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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR35a Impact of	Monitoring the impact of inflationary	Regular monitoring the office of budget responsibility's	14-Aug-2025	Sonia Virdee	31-Mar-2026

inflation	pressures (including pressures on energy costs) and construction inflation impacts on capex programme • Use of inflation contingency	inflation forecasts, The Consumer Prices Index (CPI) rose by 4.2% in the 12 months to July 2025, up from 3.4% in the 12 months to March.  Identify areas that are forecasting to exceed budget envelope due to inflation increases.			
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	Monthly update on major projects forecasts and issues arising.  Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Portfolio Board chaired by the Town Clerk/Chief Executive.  Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.  All projects are currently forecast to be completed within budget, although there are quite significant risks to funding and costs, which will continue to be reviewed, particularly relating to Salisbury Square Development / Future Police Estate Programme.	31-Aug-2025	David Abbott	31-Mar-2029
CR35f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority) • Develop income generation opportunities	Court of Common Council, in March 2025 reaffirmed the profiling of remaining fundamental review savings.  Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges. An Income Generation Working Party has been established to recommend direction, momentum and prioritisation on income generation opportunities. This coupled with 2025 Star Chamber outputs will provide a cross-corporation programme to deliver.  Pressures and mitigations are being recorded at a more	31-Aug-2025	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Mar-2026

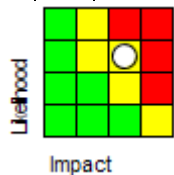
		<p>granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting. One of the outcomes was to review how we inform Committee Chairs on City Funds' overall position. This was addressed in an informal Member briefing session on 16<sup>th</sup> July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>Savings programmes/initiatives will continue to be considered during the 2025/26 financial year in line with the Town Clerk's Fantastic Five Years with the aim to deliver the plan by April 2026.</p> <p>Officer Star Chambers led by the Town Clerk have commenced and will continue into October 2025, with a progress update being presented to Policy and Resources Committee in November 2025 on income generation and savings across the Corporation to inform the 2026/27 budget setting work.</p>			
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	<p>The Government has set the Business Rate reset for April 2026. They are consulting on the fair funding review, with outcomes to be confirmed in the Autumn Local Government Settlement. Transitional funding is likely, but its impact will be clarified in the Settlement. In the absence of transitional funding, additional cost savings, increased income generation, or an increase in Council Tax and Business Rate Premium, the City Fund is projected to enter into deficit from 2026/27 onwards.</p> <p>A statutory requirement exists to maintain balance both annually and throughout the medium-term financial plan.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

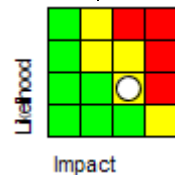
		<p>Future deficits should not be ignored, previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible.</p> <p>The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the medium-term-financial plan.</p>			
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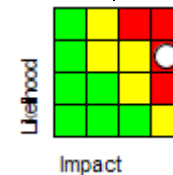
<b>Risk Code</b>	CR38
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<b>Risk Title</b>	<i>Unsustainable Medium Term Finances - City's Estate</i>
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<b>Description</b>	<p><b>Causes:</b> The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p><b>Event:</b> Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p><b>Effects:</b> The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
12	Possible	Major
Amber	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
8	Unlikely	Major
Amber	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
24	Possible	Extreme
Red	<b>Creation Date</b>	31-Oct-2022

<b>Latest Note</b>	<p>City's Estate maintains a balance budget with its regular revenue activities. However, when factoring in major project financing, cyclical works programmes, capital programmes, and exceptional items, additional drawdowns are still necessary to support annual budgets throughout the five-year financial year plan and beyond.</p> <p>Inflation rates will be reviewed on a quarterly basis, and an inflation contingency will be maintained for 2025/26 through carrying forward underspends from 2024/25</p> <p>The five-year financial plan includes:</p>	<b>31-Aug-2025</b>
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	<ul style="list-style-type: none"> <li>• Reprofiting of cyclical works programmes to cover bow-wave of outstanding works and provision of works going forward.</li> <li>• Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</li> <li>• Quarterly monitoring of capital programmes against budget</li> <li>• Securing income generation opportunities.</li> <li>• Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy</li> </ul> <p>Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.</p>	
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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme • Monitor the use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 4.2% in the 12 months to July 2025, up from 3.4% in the 12 months to March.	14-Aug-2025	Sonia Virdee	31-Mar-2026
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams • i.e. rental income from the property investment	This is being monitored monthly, with action being taken within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored,	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

	portfolio.	<p>these include but not limited to; Lord Mayor Show and events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges.</p> <p>Benchmarking exercises are currently being undertaken to provide a market comparison.</p> <p>Officer Star Chambers led by the Town Clerk have commenced and will continue into October 2025. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>			
CR38f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	<p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting. One of the outcomes was to review how we inform Committee Chairs on City's Estate' overall position. This was addressed in an informal Member briefing session on 16<sup>th</sup> July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>The focus of the May/June Star Chamber meetings</p>	31-Aug-2025	Sonia Virdee	31-Mar-2026



		provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round scheduled during September-October to finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.			
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	<p>Monthly updates and budget monitoring on major projects forecasts and issues arising. Projects are routinely reviewed by the Chamberlain's Assurance Board.</p> <p>The only major project remaining within City Estate is the MoL Landlord Works, which is nearing completion, as well as the funding contribution towards SSD.</p> <p>The achievement of property disposals on time as well as drawdown from financial investments, will be needed to fund cashflows, which is being monitored as part of the cashflow reporting to Investment Committee.</p>	31-Aug-2025	Sonia Virdee	31-Mar-2029
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	<p>Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the Corporation. This includes creating opportunities to generate more income in support of their operational ambitions and operational property requirements.</p> <p>Finance Committee on 14 January, agreed to proceed with the implementation phase and move to a grant funding model for 2025/26. This was confirmed by RASC and P&amp;R in February 2025. The two-year implementation phase commenced in April 2025 and will report progress to NE Committees in 2025 and</p>	31-Aug-2025	Emily Brennan; Sonia Virdee	31-Mar-2026

		interim outcomes to the Finance Committee in December 2025 with further reporting in 2026.			
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	<p>Despite the Court of Common Council decision on the markets, City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the revised cumulative deficit is forecast to be £395m in additional to the financial gain already modelled. Balance sheet modelling indicates this is manageable in the medium term, but not sustainable over the longer term. Stopping the markets co-location programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which according to longer term modelling, suggests recovery and a transition into surplus in 15 years. Implementing these decisions shifts the risk dial from red to amber.</p> <p>However, Members should note failure to implement the investment strategy will compromise the recovery of City's Estate's I&amp;E position. Therefore, it is not recommended to add any additional pressure on City's Estate investment assets to allow time for the strategy to be embedded.</p> <p>Additionally, continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.</p> <p>Star Chambers led by the Town Clerk are underway and will continue into October 2025. Phase one of the Star Chambers meeting helped to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

		<p>income generation strategies. Phase two scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers.</p> <p>A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>			
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## Risk Level Description Departmental

<b>Risk Code</b>	CHB 002
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<b>Risk Title</b>	<i>Housing Revenue Account Financials</i>
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<b>Description</b>	<p><b>Cause:</b> The embedded increased impact of inflation, following peak of 10.7% in Autumn 2022. Potential issue around non-recoverability of elements of service charge costs due to inadequate s20 consultation process</p> <p><b>Event:</b> Inability to contain financial pressures on the Housing Revenue Account, especially around repairs and maintenance costs, management costs and depreciation charges. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risk.</p> <p><b>Effect:</b> The City Corporation's reputation is damaged due to failure to deliver housing services.</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Target Date</b>	30-Sep-2025

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Creation Date</b>	16-Oct-2023

<b>Latest Note</b>	<p>The Housing Revenue Account is at a pivotal point, needing decisive changes to ensure its sustainability and effective delivery.</p> <p>The Housing Revenue Account is undergoing significant changes aimed at strengthening its financial position and operational effectiveness. Revised capital financing plans have reduced borrowing requirements, providing additional annual headroom that will be used to rebuild reserve balances over the next three years. Simultaneously, the HRA delivery model is being reviewed to ensure it remains both efficient and adaptable to changing needs.</p> <p>To support these improvements, stronger monitoring procedures are being implemented for housing unit delivery, featuring enhanced reporting and accountability so that targets can be met and any issues addressed promptly. Recognising previous weaknesses, new budget oversight measures are also being put in place, including real-time tracking of expenditure, early warning systems, clear escalation protocols, and empowering managers to halt or adjust spending where necessary.</p> <p>Collectively, these steps are designed to boost the HRA's financial resilience, improve the delivery of housing services, and</p>	<b>31-Aug-2025</b>
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	ensure robust oversight into the future.	
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<b>Risk Level</b>	Departmental
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Mark Jarvis; Sonia Virdee

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB002a Capital Schemes Monitoring	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	<p>The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial challenges and a funding gap of approximately £100m. Failure to address this gap across the major project programmes presents significant health and safety risks. Additionally, potential delays to new build projects may impact the revenue projections outlined in the 10 Year Plan. Ongoing monitoring of the risk associated with non-recovery of leaseholder contributions to capital projects remains essential. Efforts are in progress to address the funding gap through City Fund by considering external and third-party funding sources. A report detailing available options will be presented to the committee in October 2025 for review.</p> <p>Many other London Boroughs also have very fragile HRAs and we are working with local government colleagues as well as MHCLG and Treasury on wider solutions to current challenges.</p>	31-Aug-2025	Mark Jarvis	31-Oct-2025
CHB002b Repairs & maintenance	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	The Savills report and Pennington review identified high repairs and maintenance costs, management costs and depreciation charges. When compared to other local authorities, this outcome is expected given the relatively low housing stock—3,000 units as opposed to 15,000	31-Aug-2025	Mark Jarvis	31-Oct-2025

		units in comparable jurisdictions.			
		Property condition surveys will be available in October, along with further recommendations.			

<b>Risk Code</b>	CHB 005	<b>Risk Title</b>	<i>Resistance to Transformation and Change (Change Fatigue)</i>
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<b>Description</b>	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>• Ineffective change management and business transformation activities</li> <li>• Culture of resisting change within the organisation</li> <li>• Resource capacity – staff are consumed by BAU tasks they have no further capacity to support change</li> <li>• Ineffective prioritisation of programmes</li> </ul> <p><b>Event:</b></p> <ul style="list-style-type: none"> <li>• Low user acceptance rates and failure to integrate the necessary cultural changes.</li> <li>• Low change readiness</li> <li>• Un-utilised technologies or enhancements</li> <li>• Additionally, the broader transformation programme (such as users not fully adopting the new ERP system), may face resistance. This can result in resistance to the business transformation that the transformation programme and other initiatives aim to achieve.</li> </ul> <p><b>Effect:</b></p> <p>Decreased productivity, increased operational costs, and failure to achieve the desired outcomes of the Transformation programme and the broader transformation initiatives. The lack of business transformation may hinder the corporation's ability to modernise operations and align with the current corporate plan and strategies. Furthermore, the failure to achieve the transformation goals, such as improved efficiency, increased capacity, and better information management, may negatively impact the corporation's ability to deliver on its strategic objectives and maintain a competitive edge.</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>12</b>	Possible	Major
Amber	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>2</b>	Unlikely	Minor
Green	<b>Target Date</b>	30-Jun-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>12</b>	Possible	Major
Amber	<b>Creation Date</b>	12-May-2025

<b>Latest Note</b>	Currently, numerous transformation/improvement programs and new strategies are being implemented across the Chamberlain's department and the wider City of London Corporation.	28-Aug-2025
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<b>Risk Level</b>	Departmental
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Genine Whitehorne

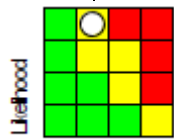
#### Associated Actions

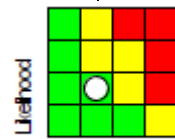
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB 005a Stakeholder Engagement	Identifying and engaging with key stakeholders to enable success of the transformation	Introducing change leadership role to Future Ambition 18, utilising the bi-monthly meetings to present the change and transformation programmes.  Recruitment for the Integration and Change Director position is in progress to support Ambition 25 and ERP. The role will focus on aligning interdependencies between these two major transformation programmes to facilitate their successful implementation.	31-Aug-2025	Genine Whitehorne	30-Apr-2026
CHB 005b Change Management Strategy	Develop a change management strategy	A need for a change management strategy has been identified. A Change Portfolio Lead has now been onboarding and has commenced work on the change management strategy	28-Aug-2025	Julie Simmons	30-Nov-2025
CHB 005d Strategic Transformation Partner	Procure a transformation partner to deliver the transformation agenda.	The specification for the strategic partner is being finalised.	28-Aug-2025	Genine Whitehorne	31-Oct-2025

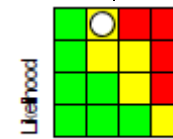


<b>Risk Code</b>	CHB 003	<b>Risk Title</b>	<i>Inconsistent application of the internal control environment</i>
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<b>Description</b>	<p><b>Cause:</b> Inconsistent application of internal controls across the City of London Corporation, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Failure of staff management to adhere to financial and procurement regulations, leading to: • Poor Purchase Order Compliance</li> <li>• Inefficient budget management</li> <li>• Delays in setting up Project Codes due to governance</li> <li>• Ineffective contract and supplier management</li> <li>• Lack of management oversight of purchasing activities</li> <li>• Misinterpretation and inconsistent understanding of financial and procurement regulations</li> <li>• Inconsistent guidance from subject matter experts</li> <li>• Complex procedures driving officers towards using workarounds</li> </ul> <p><b>Event:</b></p> <ul style="list-style-type: none"> <li>• Increase in transactional errors</li> <li>• Decrease in payment performance</li> <li>• Impact on cashflow management and accuracy of forecasting</li> <li>• Heightened demand for customised approvals and urgent decisions</li> <li>• Diminished strategic challenge capacity</li> <li>• Disrupted delivery of Business as Usual (BAU) operations</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>• Failure to achieve value for money</li> <li>• Negative internal and external audit opinions</li> <li>• Detrimental effects on supplier partnerships and commercial appeal to the market</li> </ul>
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<b>Current Risk</b>	
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<b>Target Risk</b>	
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<b>Original Risk</b>	
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Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	<b>Trend</b>	Constant

Risk Score	Likelihood	Impact
4	Unlikely	Serious
Green	<b>Target Date</b>	31-Dec-2025

Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	<b>Creation Date</b>	28-Feb-2024

<b>Latest Note</b>	<p>Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.</p> <p>The financial leadership group, consisting of finance representatives from across the corporation and its institutions, has been appointed to mitigate the risk of inconsistent application of the internal control environment by working with business customers.</p> <p>A number of mitigations have been identified to improve compliance and overall benefits of controls. FLG have been instructed to provide a list and evidence of further in-place actions to be added to the action list below.</p> <p>A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls.</p> <p>Poor performance sanctions have been agreed by the Finance Leadership Group which includes reporting repeat offenders to Chief Officers, removal of purchase cards as a result of non-compliance and performance management.</p> <p>This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.</p>	<b>31-Aug-2025</b>
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<b>Risk Level</b>	Departmental
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

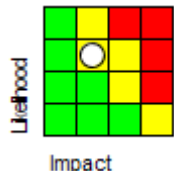
#### Associated Actions

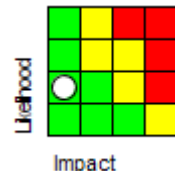
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB003e Review of procurement regulation	Review of procurement regulations and are explicit around requirements	Procurement Code is being updated however the first presentation of the revised policy format has not landed well so it is being revisited. The revised Code will be brought to Projects and Procurement sub-Committee and Finance Committee.	31-Aug-2025	Sue Smith; Genine Whitehorne	31-Dec-2025

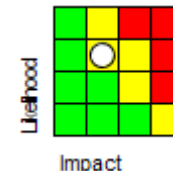
CHB003h Escalation and enforcement of non-compliance activities	Escalation and enforcement of non-compliance activities	<p>Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director.</p> <p>Further non-compliance to be escalated to the Chamberlain.</p> <p>Monthly reviews are taking place at Financial Leadership Group to highlight any areas of concern. A deep dive session focusing on issues is being planned for its June meeting.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Dec-2025
CHB003i Finance Leadership Group Interventions	The Finance Leadership Group are responsible for partnering with departments and services to improve overall compliance. An action plan for each department/institution will be details and reviewed monthly at the FLG meetings. This will encourage sharing of strategies and best practice.	<p>Current actions and mitigations are reviewed and discussed at the monthly Finance Leadership Group. The performance of departments and institutions are reviewed monthly, with finance reps sharing their best practice on reducing non-compliance.</p> <p>A special session of the FLG was held in August to refocus members of their role and responsibility in the application of the internal controls. The Group Head of Internal Audit introduced the Three Line Model.</p>	20-Aug-2025	Sonia Virdee	31-Dec-2025

<b>Risk Code</b>	CHB 004	<b>Risk Title</b>	<i>Vetting Delays</i>
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<b>Description</b>	<p><b>Cause:</b> Due to the high demand for vetting services, CHB staff applications for security vetting are experiencing significant delays, potentially taking over 12 months from the point of application.</p> <p><b>Event:</b> The reduced capacity of DITS and CCPD staff allocated to COLP projects would cause significant delays in service delivery. This shortage of resources is creating a strain on the services provided to COLP, leading to a lack of resilience and impacting the timely execution of programs and support initiatives.</p> <p><b>Effect:</b> The shortage of eligible staff is creating a strain and reducing the resilience of services provided to COLP. This lack of resources is impacting the timely execution of programs and the ability to provide necessary support, leading to delays and inefficiencies.</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
6	Possible	Serious
Amber	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
2	Unlikely	Minor
Green	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
6	Possible	Serious
Amber	<b>Creation Date</b>	12-May-2025

<b>Latest Note</b>	This risk has been identified due to the high demand for vetting services Chamberlain's staff applications (especially those in IT, Procurement and Projects) for security vetting are experiencing significant delays (both new applications and renewals). The timeframes for vetting, have identified weakened resource for the increasing demand of COLP projects.	<b>23-Jun-2025</b>
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<b>Risk Level</b>	Departmental
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Chamberlain

**Associated Actions**

<b>Ref No:</b>	<b>Description</b>	<b>Latest Note</b>	<b>Note Date</b>	<b>Owned By</b>	<b>Due Date</b>
CHB 004a Hold regular Vetting Review Meetings	Monthly meetings have now been scheduled to review current vetting status and prioritise.	Monthly meetings have now been scheduled to review current vetting status and prioritise.	23-Jun-2025	Zakki Ghauri	31-Dec-2025
CHB 004b Utilisation of the Police National Vetting Service (provided by Warwickshire Police)	Using the national vetting service, applications can be made to reduce the demand on the COLP service.	Using the national vetting service, applications can be made to reduce the demand on the COLP service.  The EPMO team have access to submit applications on behalf of staff.	20-Aug-2025	Michael Curtis	31-Dec-2025