

Finance Committee - Detailed Report



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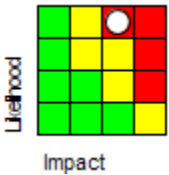
[CHB005 - Resistance to Transformation and Change \(Change Fatigue\)](#)

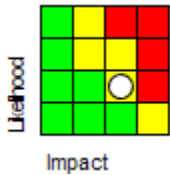
Risk Level Description Corporate

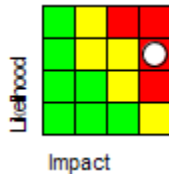
Risk Code	CR35	Risk Title	<i>Unsustainable Medium Term Finances - City Fund</i>
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Description	<p>Causes:</p> <p>Persistent high inflation, as reported and forecast by the Office for Budget Responsibility.</p> <p>Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes.</p> <p>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.</p> <p>The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: 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>Effect: 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.</p>
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	Challenges in executing the capital program and major projects within affordable limits.
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Current Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
8	Unlikely	Major
Amber	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
24	Possible	Extreme
Red	Creation Date	19-Jun-2020

Latest Note	<p>The Government have now released the provisional Local Government Settlement that includes the Fair Funding 2.0 and Business Rate reset in April 2026. While other Local Authorities have a three-year funding settlement from 26/27 to 28/29 with allocations driven primarily by deprivation data. This is not the case for the City, which has been given a one year settlement. This combined with the reduction in weighting for daily commuters has meant that the assessment of need for the City Corporation has significantly reduced from the proposals consulted on over the summer. The City will also get transitional relief for one-year 2026/27 which is the combined amount the City would have received over the three years. The impact on City Fund means it reaches the a cliff edge sooner than 29/30 which had been the position to-date. The rationale given for this change is equity and value for money – distributing transitional relief in line with need and that the City is an outlier on spending power per head.</p> <p>Business Rate growth will continue to be retained so that income stream will be key to supporting the City Fund MTFP moving forward. In addition, the Secretary of State is removing the council tax referendum threshold for the City and 5 other Local Authorities in 27/28 and 28/29. The 5% remains in place for 2026/27. Whilst council tax is a local decision, core grant will assume that we levy above the 5% during 27/28 and 28/29.</p> <p>Inflation rates have stabilised, but are still above the government target of 2%, these continue to be monitored quarterly and consideration of an inflation contingency is to be maintained in 2026/27 depending on the availability of carry forwards from 25/26 underspends. Ongoing pressures on adult social care, children services, security and policing continue and are addressed through increase in taxes and business rates premium. The 26/27 MTFP also includes funding to address gaps within the Housing Revenue Account (HRA) capital programme. Much of this spend is after the MTFP period but ensuring suitable resources are available when needed is being factored into the latest position.</p> <p>The medium-term financial plan includes:</p>	18-Dec-2025
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	<ul style="list-style-type: none"> • Reprofitting of remainder of the £133m cyclical works programme • Additional funding for the HRA capital programme • Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves. • Quarterly monitoring of capital programme against budgets, monthly monitoring on the major projects • Securing income generation opportunities. <p>The pressures outlined reinforce the need in developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services. This is needed to ensure operational budgets remain in-line with available funding for both City Fund and City's Estate.</p>	
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Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR35a Impact of inflation	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme <ul style="list-style-type: none"> • Use of inflation contingency 	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.2% in the 12 months to November 2025, down from 3.6% in the 12 months to October (source Office for National Statistics). Identify areas that are forecasting to exceed budget envelope due to inflation increases.	18-Dec-2025	Iain Jenkins	31-Mar-2026
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	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. There is also regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.	18-Dec-2025	David Abbott	31-Mar-2029

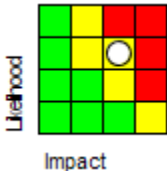
		All projects are currently forecast to be completed within budget, though there remain several risks (i.e. cost increases within SSD/FPEP; fundraising for the Barbican; cashflow and fundraising for the MoL), which will continue to be reviewed.			
CR35f Achievement of current Savings Programme	<p>Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)</p> <ul style="list-style-type: none"> • Develop income generation opportunities 	<p>Court of Common Council, in March 2025 reaffirmed the profiling of remaining fundamental review savings.</p> <p>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.</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 with a further update planned in the New Year. 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 16th 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>	18-Dec-2025	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Mar-2026

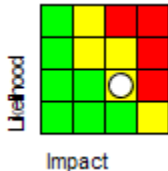
		<p>Officer Star Chambers led by the Town Clerk have been held for key areas under pressure. These have helped to identify plans and proposals to bring those areas currently overspending back within their budget envelopes over the MTFP period. Moving forward there now also needs to be an identification of opportunities across the Corporation to generate savings that will reduce the bottom line position to further support the financial sustainability and this will need to be delivered for the 27/28 budget.</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.</p> <p>The focus of the 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 during September-October has finalised and confirm the value of proposals identified by Chief Officers. Although savings have been found this has just addressed on-going pressures.</p>	18-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

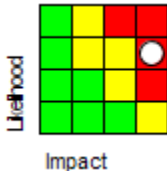
Risk Code	CR38
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Risk Title	<i>Unsustainable Medium Term Finances - City's Estate</i>
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Description	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as 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>Event: 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>Effects: 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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Current Risk		
Risk Score	Likelihood	Impact
12	Possible	Major
Amber	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
8	Unlikely	Major
Amber	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
24	Possible	Extreme
Red	Creation Date	31-Oct-2022

Latest Note	<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>	18-Dec-2025
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	<ul style="list-style-type: none"> • Reprofiting of cyclical works programmes to cover bow-wave of outstanding works and provision of works going forward. • Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves. • Quarterly monitoring of capital programmes against budget • Securing income generation opportunities. • Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy <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> <p>Budget setting is currently underway for 2026/27.</p>	
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Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	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 3.2% in the 12 months to November 2025, down from 3.6% in the 12 months to October (source Office for National Statistics).	18-Dec-2025	Iain Jenkins	31-Mar-2026
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams	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,	18-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

	<ul style="list-style-type: none"> • i.e. rental income from the property investment 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 concluded and have identified potential savings and pressures. 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 a further update will be taken in the New Year. 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 16th July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p>	18-Dec-2025	Daniel Peattie	31-Mar-2026

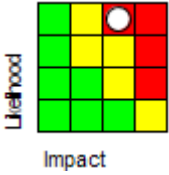
		<p>The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round held during September-October has finalised and confirmed the value of proposals identified by Chief Officers. Although savings have been found this has just addressed on-going pressures. A report regarding the proposals will be submitted to Efficiency and Performance Working Party summarising the proposals.</p>			
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	<p>As per City Fund, projects are routinely reviewed by the Chamberlain's Assurance Board, and reported to Finance Committee, Capital Buildings Board, and Policy & Resources Committee.</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. Throughout 2025/26 City Estate has maintained a positive cash balance, with drawdowns being made from the long-term financial portfolio and the liquidity fund.</p>	18/Dec/2025	David Abbott	31-Mar-2029
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the Corporation. This includes creating opportunities	18-Dec-2025	Emily Brennan; Sonia Virdee; Marguerite Jenkin	31-Mar-2026

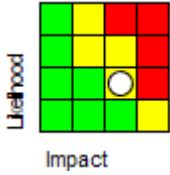
		<p>to generate more income in support of their operational ambitions and operational property requirements.</p> <p>Finance Committee on 14 January, agreed to proceed with the implementation phase and move to a grant funding model for 2025/26. This was confirmed by RASC and P&R in February 2025. The two-year implementation phase commenced in April 2025 and have progressed reporting to NE Committees during 2025 and interim outcomes to the Efficiency & Performance Working Party took place in November 2025, with recommendations presented Finance Committee in January 2026..</p>			
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 addition 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&E position. Therefore, it is not recommended to add any additional pressure on City's</p>	18-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

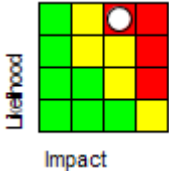
		<p>Estate investment assets to allow time for the strategy to be embedded.</p> <p>Additionally, continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.</p> <p>Star Chambers led by the Town Clerk have now concluded.</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 Code	CR42 (Formerly CHB 002)	Risk Title	<i>Housing Revenue Account Financials</i>
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Description	<p>Cause: The Housing Revenue Account must be self-financing, cost pressures include:</p> <ul style="list-style-type: none"> Ongoing delays in building statutory new homes causing delays to income streams and increased costs Resourcing for health and safety to ensure meeting of compliance requirements Substantial improvement works required on existing stock Existing funding streams are constrained, with reliance on temporary or uncertain sources such as National Insurance grant allocations, external grants, and re-prioritisation decisions regarding City Fund Capital Reserves Delays to new units reducing rental income at the same time <p>Event: Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties.</p> <p>Effect: Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.</p>
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Current Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
8	Unlikely	Major
Amber	Target Date	30-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Creation Date	16-Oct-2023

Latest Note	<p>Court of Common Council has approved an uplift of £152m (including optimism bias) to the major improvement works programme, ensuring that corporate ambitions around housing can be met.</p> <p>Officers from Chamberlain's, Surveyors and housing meet regularly to ensure that schemes for new unit delivery are on track for delivery and ensure that units are tenanted as soon as possible.</p>	17-Nov-2025
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Risk Level	Corporate	Risk Approach	Reduce
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Department	Chamberlain's
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Risk Owner	Mark Jarvis; Sonia Virdee
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Associated Actions

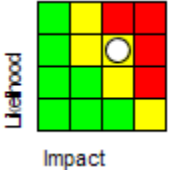
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR42a Capital Schemes Monitoring	Close monitoring of delivery of new housing units and improvement works is required during 2025/26. Continue to assess the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision. Impact of inflation - capital schemes forecast to exceed budget	The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial funding gap of approximately £152m (including a 50% Optimism Bias) if corporate ambitions around housing are to be met. Finance, P&R & CoCo has approved capital funding through a mixture of City Fund and 3 rd party sources (November and December)	18-Dec-2025	Mark Jarvis	31-Mar-2026
CR42b Short term revenue pressures	Impact of inflation - 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. A report on the current years financial position including management action to reduce costs and offset lost income was presented in December to Finance and P&R. An efficiency review is scheduled for the new year.	18-Dec-2025	Mark Jarvis	31-Mar-2026
CR42c MHCLG Engagement	Engagement with government departments (e.g., MHCLG) and other stakeholders to discuss challenges and options.	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.	18-Dec-2025	Mark Jarvis	31-Mar-2026
CR42d Grant Funding for 2025/26	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs for 2025/26	Modelling full staff costs in the 5 year HRA plan.	18-Dec-2025	Mark Jarvis	31-Mar-2026

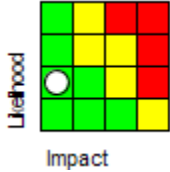
CR42e Ensuring a long term sustainable social housing provision	Review options to improve long term sustainability, including partnering with third parties	We will be exploring options in the first two quarters of 2026, once we have solution to the more immediate risks.	19-Dec-2025	Sonia Virdee	30-June-2026
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Risk Level Description Departmental

Risk Code	CHB 005	Risk Title	<i>Resistance to Transformation and Change (Change Fatigue)</i>
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Description	<p>Cause:</p> <ul style="list-style-type: none"> • Ineffective change management and business transformation activities • Culture of resisting change within the organisation • Resource capacity – staff are consumed by BAU tasks they have no further capacity to support change • Ineffective prioritisation of programmes <p>Event:</p> <ul style="list-style-type: none"> • Low user acceptance rates and failure to integrate the necessary cultural changes. • Low change readiness • Un-utilised technologies or enhancements • 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. <p>Effect:</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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Current Risk		
Risk Score	Likelihood	Impact
12	Possible	Major
Amber	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Target Date	30-Jun-2026

Original Risk		
Risk Score	Likelihood	Impact
12	Possible	Major
Amber	Creation Date	12-May-2025

Latest Note	<p>Currently, numerous transformation/improvement programs and new strategies are being implemented across the Chamberlain's department and the wider City of London Corporation.</p> <p>A Transformation Portfolio Lead and Change Portfolio Lead have been appointed over the summer to support the transformation agenda. An programme integration lead has also been appointed to oversee the Programme Sapphire and Ambition 25 programmes.</p>	28-Aug-2025
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Risk Level	Departmental
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Genine Whitehorne

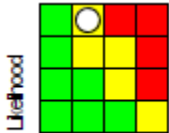
Associated Actions

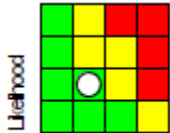
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB 005a Stakeholder Engagement	Identifying and engaging with key stakeholders to enable success of the transformation	<p>Introducing change leadership role to Future Ambition 18, utilising the bi-monthly meetings to present the change and transformation programmes.</p> <p>The Integration and Change Director supporting Ambition 25 and ERP is now in post. The role will focus on aligning interdependencies between these two major transformation programmes to facilitate their successful implementation.</p>	17 Nov 2025	Genine Whitehorne	30-Apr-2026
CHB 005b Change Management Strategy	Develop a change management strategy	The change management strategy is currently being developed and tested through application in City of London Corporation's key priority programmes and projects, with a focus on A25, SAP and People Strategy	13-Nov-2025	Julie Simmons	01-Jun-2026
CHB 005d Strategic Transformation Partner	Procure a transformation partner to deliver the transformation agenda.	<p>The Transformation vision and approach is currently being refined following officer and Member engagement.</p> <p>The specification for a Partner will focus on developing a digital by design service delivery model enabled by AI.</p>	17-Nov-2025	Steve Strain	30 April 2026

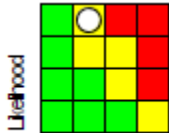
		Soft market testing is planned for early 2026 before issuing the full tender. The intention is to have a contract in place for the start of the new Financial Year.			
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Risk Code	CHB 003	Risk Title	<i>Inconsistent application of the internal control environment</i>
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Description	<p>Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to:</p> <ul style="list-style-type: none"> • Failure of staff management to adhere to financial and procurement regulations, leading to: • Poor Purchase Order Compliance • Inefficient budget management • Delays in setting up Project Codes due to governance • Ineffective contract and supplier management • Lack of management oversight of purchasing activities • Misinterpretation and inconsistent understanding of financial and procurement regulations • Inconsistent guidance from subject matter experts • Complex procedures driving officers towards using workarounds <p>Event:</p> <ul style="list-style-type: none"> • Increase in transactional errors • Decrease in payment performance • Impact on cashflow management and accuracy of forecasting • Heightened demand for customised approvals and urgent decisions • Diminished strategic challenge capacity • Disrupted delivery of Business as Usual (BAU) operations <p>Effect:</p> <ul style="list-style-type: none"> • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market
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Current Risk	 <p>Likelihood</p> <p>Impact</p>
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Target Risk	 <p>Likelihood</p> <p>Impact</p>
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Original Risk	 <p>Likelihood</p> <p>Impact</p>
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Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	Trend	Constant

Risk Score	Likelihood	Impact
4	Unlikely	Serious
Green	Target Date	31-Dec-2026

Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	Creation Date	28-Feb-2024

Latest Note	<p>Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.</p> <p>The financial leadership group (FLG), 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>	18-Dec-2025
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Risk Level	Departmental
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB003e Review of	Review of Commercial Transformation Programme and specifically the Procurement Code	PPSC agreed the rest of the Transformation Programme in November 2025 and work is now underway led by and Interim Head of Commercial	17-Nov-2025	Kashi Akhtar; Genine Whitehorne	30-May-2026

Procurement Code		Transformation. The initial focus will be on the Procurement Code and will include flexibilities for Institutions, governance and thresholds. Priorities to be delivered for the start of the new Municipal Year.			
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 took place in June further deep dives are being scheduled in the new year.</p> <p>Regular reporting of procurement performance to Chief Officers and the Projects and Procurement sub-Committee will begin in January 2026. This will include Procurement Code breaches and waivers.</p>	18-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Dec-2026
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>	18-Dec-2025	Sonia Virdee	31-Dec-2025

