

# Risk Management Strategy 2024-2029



## Contents

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<b>Our vision</b> .....	1
<b>Introduction</b> .....	1
<b>Strategic Objectives 2024-2029</b> .....	2
An agile and effective risk management approach.....	3
Enhanced risk culture .....	3
Informed decision making .....	4
An appetite for risk .....	4
<b>Implementation</b> .....	5
<b>Annex documents</b> .....	6
Annex 1. Action Plan .....	7
Annex 2. City of London Corporation Risk Management Governance Structure .....	11

## Our vision

**A world class leader in dynamic risk management, best practice embedded and used in strategic decision-making, future-proofing successful delivery of outcomes.**

## Introduction

The City of London Corporation's approach to identifying, mitigating, and managing risk reflects our commitment to proactive and dynamic risk management as a fundamental part of corporate governance and business operations.

Outlining ambitious objectives through an agile and robust risk management approach, this strategy ensures that the City Corporation upholds duties, delivers priorities, and supports and aligns with organisational ambitions

including our Corporate Plan 2024-2029 strategic outcomes enabling delivery, continuous improvement and innovation.

The global risk horizon is complex; technological advances outpacing regulatory frameworks, climate change, economic strains in response to the cost-of-living crisis and inflationary pressures, and increasing geopolitical tensions.<sup>1</sup> These challenges are reflected in the UK Government's 2023 National Risk Register which identified nine risk areas that capture the biggest risks to the UK: terrorism; cyber; state threats; geographic and diplomatic; accidents and systems failures; natural and environmental hazards; human, animal and plant health; societal; and conflict and instability.<sup>2</sup>

The City Corporation is impacted by these and other risks at global, national, London and Square Mile levels. Successful implementation of our Risk Management Strategy 2024-2029 requires our people to understand this dynamic risk landscape to recognise the threats and seize opportunities. This includes having the right culture, processes and systems to successfully mitigate and pre-empt negative impacts. We must prioritise resilience, agility, and proactive risk management to capitalise on emerging opportunities, and safeguard our interests and responsibilities. This will be addressed through four strategic objectives.

## Strategic Objectives 2024-2029

To achieve our vision over the next five years, we will work towards four objectives, aligned with our organisational goals (including our Corporate Plan 2024-2029), and ensuring greater collaboration across departments, Institutions and functions.



**An agile and effective risk management approach**

**Enhanced risk culture**

**Informed decision making**

**An appetite for risk**

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<sup>1</sup> The findings from the World Economic Forum Global Risks Perception Survey 2023-2024 predict the escalation of global turbulence and catastrophic risks over the medium to long term. World Economic Forum, *Global Risks Report 2024*, page 12

<sup>2</sup> [HM Government, National Risk Register: 2023 Edition, page 6](#):

## **An agile and effective risk management approach**

We will simplify risk management approaches and ensure risk is an enabler embedded within activities (e.g. business planning, budget setting, etc.) to support greater accuracy and efficiency overall. Early risk identification and escalation will be prioritised over issue management, and mitigating actions regularly reviewed, with clear accountabilities understood across City Corporation.

- Establish a simple and dynamic framework where risks (not issues) are identified and managed.
- Prioritise effective mitigating actions aimed at reducing the likelihood and **negative impact of risks**.
- Streamline risk management processes to be proactive, user-friendly, and reflected within all aspects of City Corporation activities.
- Strengthen the foundation of risk management by fostering a genuine understanding of risk and risk management that sees risk as an enabler.

## **Enhanced risk culture**

We will foster a culture where employees understand and prioritise risk, where equity, equality, diversity, and inclusion are an established aspect of our risk management framework, and all are proactively engaged and committed to risk management. This unified, collaborative approach to risk management will avoid siloed approaches and foster shared knowledge and practices among departments and Institutions.

- Encourage an open and curious mindset toward risk, fostering a no-blame culture where people are rewarded for adopting risk informed approaches and create cross-departmental collaboration managing risk and breaking down silos.
- Integrate principles of equity, equality, diversity, and inclusion (EEDI) into the risk culture.
- **Decision making is guided by current best practice and benchmarking, ensuring we have a contemporary approach to risk management, and we capture core principals we need to adhere to as public organisation.**
- Embed risk personas to enable all colleagues to develop and enrich the risk management function via training that supports and provides progression for staff at all experience levels.

## **Informed decision making**

We will embed risk management as a cornerstone of our organisation, guiding strategic decisions and providing decision-makers with data-driven insights. We will ensure that decision makers have a thorough understanding of their role in risk management and use scoring and appetite levels to plan for the future.

- Leverage risk as an enabler to inform decision making, resource allocation, and prioritisation.
- Consider risks in all aspects of City Corporation operations guided by evidence-based risk management practices, drawing upon best practices and benchmarking.
- Decision making is guided by a sound understanding of the relationship between risk score and appetite, and the relevant significance of risks.
- Supports the strategic outcomes and organisational ambitions outlined in our Corporate Plan 2024-2029.

## **An appetite for risk**

We will increase and maintain our organisational understanding of risk appetite and identify opportunities for growth and innovation, promoting and facilitating an environment that encourages informed risk-taking, supported by an embedded trust of officers. Risk appetite will enable us to adjust our operations in response to changing circumstances and ensure continued alignment with organisational objectives.

- Strong organisational health fostered by a culture where risk is understood, appropriately accepted, and failure is **expected as part of innovation and being a learning organisation**.
- Risk appetite **is understood within the context of both individual risks, and the cumulative impact of risks, at a fixed point in time with the ability to shift with the context of statutory requirements and proportionality**.
- Accepting risks to accomplish goals is consistently evaluated and planning and decision-making processes are aligned with this assessment.

## Implementation



Figure 1. Risk Management Strategy yearly process

This strategy covers the period from 2024-29 and seeks to embed sustainable change. Over the lifetime of the strategy, the focus of the actions will evolve from preparing and embedding the basics, to using risk as a strategic driver (see figure 2). These phases will move at different paces, overlapping and circling back as needed while all working to drive the final outcome. To ensure we achieve the Strategy's objectives an action plan will set out short-, medium-, and long-term activities for the lifetime of the strategy.

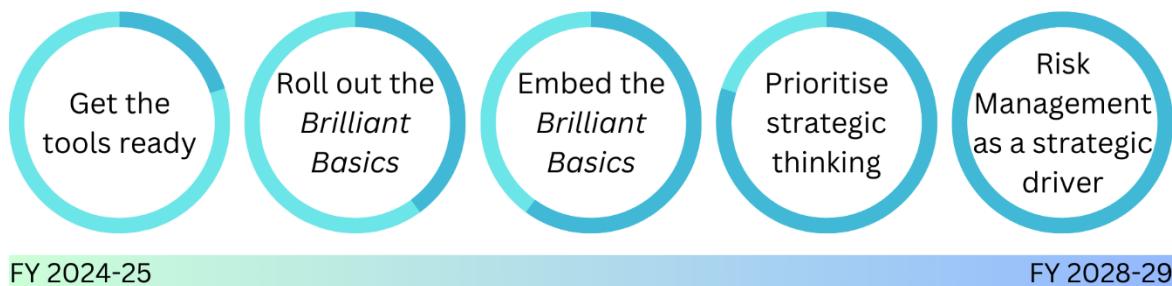


Figure 2. Progress over the lifetime of the Strategy

Measuring and reporting our progress is vital to ensure we achieve our vision and objectives. As part of our annual review process, we will measure our success towards achieving our specified actions and impact, including where

we might need to focus more attention. To ensure we are capturing the breadth of our work, we will use both qualitative and quantitative forms of measuring our success. As our strategy evolves, so will this list of measurements. A review of the previous year's activities will be included in updates to the Audit and Risk Management Committee at the beginning of the new civic year.

The achievement of the strategic objectives is dependent on a number of factors. While risk management processes and risk frameworks are in place, the successful delivery of this strategy will only be possible if cultural change across the organisation that is already in train is fully enacted. This includes, but is not limited to, work to define our corporate values and behaviours, manage operational transformation and change, establish a no-blame culture, and develop our data and analytics maturity. The annual reviews of this strategy will capture any progress on these dependencies.

## **Annex documents**

1. Action Plan
2. Risk Management Governance

### **Version 2**

Approved by CORMG: 25 April 2024

Version 1 Endorsed by A&RMC: 13 May 2024

Version 2 endorsed by A&RMC Chair: 7 June 2024

## Annex 1. Action Plan

### An agile and effective risk management approach

How we are going to achieve this	
Short- to medium-term	Long term
<ul style="list-style-type: none"> <li>Develop a PowerBI dashboard to provide a more agile and timely way to communicate City Corporation risks.</li> <li>Increase Ideagen platform training available to officers through targeted in person and online learning.</li> <li>Re-organise Ideagen by reviewing legacy information in consultation with risk coordinators to ensure it is fit for purpose.</li> <li>Revise risk guidance and templates and empower risk owners to ensure that risks are recorded in a timely manner with minimal intervention from CSPT.</li> </ul>	<ul style="list-style-type: none"> <li>Support risk professionals from Chief Officers to risk coordinators to adopt a dynamic and agile approach to reviewing risks.</li> <li>Risk coordinators provide regular risk updates and take proactive steps where risks and actions are not being adequately managed.</li> <li>Roll out Ideagen training focussing on more a strategic use of the platform.</li> </ul>
How we are going to measure success	
<ul style="list-style-type: none"> <li>Increased attendance and satisfaction at training sessions</li> <li>Decrease in overdue risks.</li> <li>Increased engagement and presence of representatives at Risk Management Forum (% attendance)</li> <li>Increase in positive feedback received following the delivery of training sessions.</li> <li>Increase in positive feedback received following the publication of training support materials offered to officers.</li> <li>Decrease in the number of issues being raised (risks that have materialised) requiring retrospective risk management activity.</li> </ul>	

## Enhanced risk culture

How we are going to achieve this	
Short- to medium-term	Long-term
<ul style="list-style-type: none"> <li>Increase engagement within the Risk Management Forum (RMF), ensuring all areas have an opportunity to share best practice/collaborate on risk management approaches.</li> <li>Work with the RMF to bring forward 'lessons learned' sessions, alongside Internal Audit 'deep-dives' and other review techniques to explore escalated issues and to consider how risk management processes could be better utilised in the future.</li> <li>Increase training options on risk management practice fundamentals (e.g. identification, analysis, and scoring) through targeted in person and online training, with specific focus on mitigations and how these should be applied.</li> </ul>	<ul style="list-style-type: none"> <li>Embed risk management personas into the training suite. Ensure officers can identify themselves within a persona and understand what that means for their ways of working, their responsibilities and their development.</li> <li>Create a complete risk management training journey to ensure staff are adequately trained and supported from first joining the organisation.</li> <li>Create a risk Management module to be incorporated as part of the mandatory training suite.</li> </ul>
How we are going to measure success	
<ul style="list-style-type: none"> <li>Annual surveys with the RMF to assess current understanding of risk.</li> <li>Annual surveys with the COMG that explores attitudes to the current state of the risks held by the City Corporation.</li> <li>Decrease in 'issues' being escalated on corporate and departmental risk registers.</li> <li>Increased attendance and satisfaction at training sessions.</li> <li>Decrease in overdue risks.</li> <li>Increased engagement and attendance of risk coordinators at Risk Management Forum (% attendance).</li> <li>Increase in positive feedback received following the delivery of training sessions.</li> <li>Increase in positive feedback received following the publication of training support materials offered to officers.</li> </ul>	

## Informed decision making

How we are going to achieve this	
Short- to medium-term	Long-term
<ul style="list-style-type: none"> <li>• Complete the development of Heads of Profession (HoP) portals, ensuring all risks have a designated HoP, and HoPs understand how to review and utilise the portals effectively.</li> <li>• Review Member risk management training options and identify knowledge gaps and governance/oversight roles in the risk framework.</li> <li>• Review and revise templates for risks being presented to Committees and ELB/SLT (e.g., risk registers and committee papers) to ensure that best support strategic decision making and successful outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Support senior leaders to use appropriate evidence and benchmarking of risk across a wide range of resources e.g. looking to other key organisations/reports in the risk landscape.</li> <li>• Risk is a core component of wider systems and processes across the City Corporation (e.g., budget deep dives and business planning).</li> <li>• The Head of Profession governance is firmly embedded and Heads of Profession routinely evaluate risk and inform decision-making.</li> </ul>
How we are going to measure success	
<ul style="list-style-type: none"> <li>• Increase in percentage of risks as a total of all risks with at least one designated Head of Profession.</li> <li>• Completion of a Member risk training options exploration.</li> <li>• Completion of Committee and ELB/SLT risk reporting templates review and update.</li> <li>• Increase in risk scoring change as risks are better resourced following increased attention.</li> <li>• Increase presence of risk consideration in non-risk-specific planning and decision-making processes.</li> </ul>	

## An appetite for risk

<b>How we are going to achieve this</b>	
<b>Short- to medium-term</b>	<b>Long term</b>
<ul style="list-style-type: none"><li>Review organisational approach to risk appetite and consider the different types and categories of risk, taking reflecting the likely challenges of 2024-2029.</li><li>Provide risk appetite training to support Chief Officers in refreshing organisational risk appetite.</li><li>Clearly communicate changes to organisational risk appetite and how it can be effectively applied to the wider City Corporation.</li></ul>	<ul style="list-style-type: none"><li>Consistent use of risk appetite levels in strategic decision-making at levels where risk appetite applies.</li><li>Risk appetite features in other service committees to inform prioritisation and resource allocation.</li></ul>
<b>How we are going to measure success</b>	
<ul style="list-style-type: none"><li>Completion of review of risk appetite levels with findings (including changes to risk appetite levels) integrated into draft of refreshed Risk Management Policy and risk appetite statement.</li><li>Agreement on refreshed risk appetite levels and associated categories of risk.</li><li>Increased use of risk appetite by risk owners to take decisions, with failure not perceived as being inherently negative.</li></ul>	

## Annex 2. City of London Corporation Risk Management Governance Structure

