

Committee	Dated:
Financial Investment Board	29 June 2017
Subject: Risk Register for Bridge House Estates (charity number: 1035628)	Public
Report of: Chamberlain	For Decision
Report author: Steven Reynolds, Chamberlain's Department	

Summary

This report provides this Board's section of the key risks register for Bridge House Estates (BHE) for review. The Charity Commission's Statement of Recommended Practice (SORP) requires that the register is reviewed annually to ensure that existing risks are reconsidered, any new risks are identified and that appropriate measures are in place to mitigate those risks. BHE is managed by six Committees or Boards, each of which is required to review and monitor risks for the services they oversee e.g. the Planning and Transportation Committee manages risks relating to the five bridges maintained by the trust. Accordingly, a separate risk report has been prepared for each managing Committee or Board.

Two of the risks on the BHE risk register relate to the services overseen by the Financial Investment Board. The first risk relates to a potential decline in income from non-property investments and the second to a potential reduction in income from cash balances – both risks are detailed at Appendix 2. The first risk is assessed as amber with a score of twelve (on a risk scale from one to the highest risk score of thirty two). The second risk is assessed as green with a score of three. Both assessments are unchanged from last year.

Recommendations

Members are asked to:

- review the two risks currently on the register for this Board, relating to a potential reduction in income from non-property investments and cash balances, and confirm that appropriate control measures are in place; and
- confirm that there are no other risks relating to the services overseen by the Financial Investment Board which should be added to the BHE risk register.

Main Report

Background

1. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks. This Board's section of the key risks register for Bridge House Estates (BHE) is set out for review.
2. BHE is managed by six Committees or Boards each of which is required to review and monitor risks for the services they oversee e.g. the Planning and Transportation Committee manages risks relating to the five bridges maintained by the trust. Accordingly, a separate risk report has been prepared for each managing Committee or Board.
3. The Charities SORP requires that the register is reviewed annually to ensure that existing risks are reconsidered and any new risks are identified.

Review of Risks

4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy approved by the Audit and Risk Management Committee. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised green, amber or red.
5. Each risk in the register has been considered by the responsible officer within the Corporation who is referred to as the 'Risk Owner' in the register.
6. The Financial Investment Board's element of the BHE risk register is shown at Appendix 2 and contains two risks, the first relating to a potential decline in income from non-property investments and the second to a potential reduction in income from cash balances. Controls are in place to mitigate these risks, including an investment strategy devised to reduce risk through use of a range of fund managers implementing different investment mandates. With regard to surplus cash, this is invested with a carefully selected and regularly reviewed range of counterparties and across various time periods to maximise returns. Returns from both managed investments and cash are closely monitored throughout the year. The first risk is assessed as amber with a score of twelve (on a risk scale from one to the highest risk score of thirty two). The second risk is assessed as green with a score of three. Both assessments are unchanged from last year. The current mitigating actions are considered appropriate at this time.

Conclusion

7. The risks faced by the charity have been reviewed and two of those risks have been identified as relating to the services overseen by the Financial Investment Board. The first risk relates to a potential decline in income from non-property

investments and the second to a potential reduction in income from cash balances. The Board is requested to confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the BHE register in relation to services overseen by the Board.

Appendices

- Appendix 1 - City of London Corporation Risk Matrix
- Appendix 2 - Charity Risk Register

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