

Directorate		Corporate Governance					Date Last Reviewed		June 2016		
Director		Christiane Jenkins					Reviewed By		Corporate Governance Division		
No	Risk	Risk Type	Risk description	Risk Rating without control (1-4)			Controls in place	Responsible Officer	Risk rating with control (1-4)		
						L			I	O	L
CG 1	An appropriate Performance Management Framework not in place	Compliance, Operational, Reputation	Unable to ensure activity is aligned to delivery of corporate objectives, therefore not meeting requirements of stakeholders. Areas for improvement not identified/delivered as agreed with Leaders/Executive; unable to demonstrate value for money	2	2	4	Objectives in Corporate Business Plan aligned with outcome measures and cascaded into staff objectives and appraisals where-ever possible. Fundamental review of performance appraisal scheme was undertaken in 2009 and further revised in 2010 and 2015. There is a rated objective and competency framework. There is mandatory training for all appraisers and appraisees. Appraisals will continue to be monitored as part of organisational development framework. Annual portfolio holder meetings, are held by the Chair of London Councils and leading Members and attended by the Chief Executive and officers as part of the business planning process, provide an opportunity to review progress and agree priorities for the future. In Corporate Governance, appraisals and regular one2one's take place, as do regular team and divisional meetings. These ensure activities are linked to purpose and that performance is routinely monitored.	Christiane Jenkins, Programme Director, Corporate Governance	1	1	1

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CG 2	Inadequate democratic services function	Compliance	Committee papers and procedures not complying with legislation	1	2	2	London Councils has a dedicated Governance Team/Unit with well trained staff in place who understand the importance of the democratic process and are supported by the organisation to carry out this role to a high standard, in liaison with the City Corporation legal team. Staffing levels in the Governance Support Team are such that any coincidence of emergency/illness/leave etc. may result in others in the Corporate Governance Division or elsewhere in the Organisation needing to step in and cover. Contingency planning for this is in place. The Governance Support Team Manual is up-dated regularly as part of this contingency. Any training requirements are identified and then met.	Derek Gadd, Head of Corporate Governance	1	1	1

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CG 3	Inadequate corporate governance framework	Compliance Financial, Operational, Reputation	Insufficient controls in place and/or existing controls not applied appropriately.	2	2	4	An annual review of corporate governance framework in line with CIPFA/SOLACE guidance is undertaken as well as ongoing monitoring and review, with an annual report to Corporate Management Board together with an action plan. Also, there are regular reports to the Corporate Governance Group, as appropriate. Risk Registers are in place and are reviewed regularly in line with London Councils Risk Management Strategy and Framework, which was updated in March 2012 and approved by Audit Committee.	Christiane Jenkins, Programme Director, Corporate Governance	1	1	1
CG 4	Non compliance with Information Legislation	Compliance Operational, Reputation	Non compliance with information legislation (FOI, EIR & DPA) leading to organisation not adhering to information security and providing information as and when required.	2	3	6	Corporate Governance provide support and guidance to the organisation on responses to FOI, DPA and EIR requests, and ensure London Councils policies meet legislative requirements. Legal support is obtained from the City of London (COL) as required. Training needs for individual officers are identified through the appraisal process. London Councils CMB approved new Information Security, Information Management and Data Protection policies in October 2014. <i>Act Now Training</i> delivered data protection	Christiane Jenkins, Programme Director, Corporate Governance, supported by Emily Salinger, Sylvia	1	2	2

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				L	I	O			L	I	O
							training to all staff in Autumn 2014. A regular programme of data protection/information security training is available for new staff and to meet ongoing needs.	Edohasim			
CG 5	Non-compliance with London Councils Information Governance policies	Compliance Operational, Reputation Financial	The organisation does not fully implement the information governance policies and consequently does not manage sensitive or personal data appropriately.	3	3	9	CMB has prioritised the implementation of the policies across the organisation, enabling work at team level to improve understanding and compliance. A project plan and regular meetings with SIRO will monitor progress of the work. Also, a separate risk register will monitor ongoing risks associated with managing information which are identified through this work.	Emily Salinger (Frank Smith)	1	2	3

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CG 6	Ineffective operational HR service from City of London	Operational, Reputational	Recruitment not timely and mistakes made, perceptions of London Councils as a potential employer is poor; payroll issues not resolved in timely fashion; training delivered is of poor quality	2	2	4	There are weekly update meetings between the City's Corporate HR Business Unit/Director of Corporate Governance and Head of Budgetary Control and Procurement to ensure awareness of/effective responses to HR issues. There are 3 meetings a year to review the SLA with Senior Management at the City Corporation, where representatives from different business units in the City attend to discuss any issues and future improvements, e.g. training, payroll, pensions and recruitment. Quarterly meetings are also held with the LPFA to monitor issues related to pensions.	Christiane Jenkins, Programme Director, Corporate Governance	1	1	1
CG 7	London Councils policies and procedures do not comply with Equalities legislation	Compliance reputational	If internal policies and procedures do not comply with Equalities legislation, they may not be valid or appropriate, and invalid procedures or decisions may occur, for example relating to recruitment and selection, managing staff.	2	2	4	Equality Impact Assessments are completed for all major policy changes or new policies/procedures and are consulted on with Joint Consultative Committee and the Corporate Equalities Group. Equalities implications are also part of every committee report. Training needs, to ensure staff awareness of equalities issues, are identified through the appraisal process and Corporate Governance ensures that appropriate training is identified as required.	Christiane Jenkins, Programme Director, Corporate Governance	1	2	2

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CG 8	Unplanned absence of regional employers' secretary for extended period or on the day of key meetings	Operational	Lack of capacity to deliver objectives in divisional work plan - reputational risk of being unable to provide core services	1	2	2	Arrangements in place for planned absences. Two London boroughs Heads of HR are on a standby list to advise the Employers' Side of GLPC or GLEF if the Employers' Secretary is absent for a formal meeting	Christiane Jenkins, Programme Director, Corporate Governance  Selena Lansley, Head of London Regional Employers' Organisation	1	1	1

## Corporate Resources Risk Register

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CR1	Insufficient disaster recovery for IT systems	Operational, Reputation	A complete IT failure - system unable to be restored	4	2	8	Off site server allows partial immediate restoration. The Office365 email system is based in the cloud which also allows for the immediate restoration of data. Regular liaison with Client IT SLA Manager at the City of London regarding system resilience. There have been recent upgrades to the IT system configuration and infrastructure, approved by CMB, which improve the stability and resilience of the IT environment. A comprehensive testing plan is to be carried out in conjunction with the City of London and Agilisys, their IT contractor.	Roy Stanley, ICT & Facilities Manager	1	2	2

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CR2	Procurement regulations breached	Compliance, Financial, Project, Reputation, London	Non-compliance with statutory requirements and London Councils Financial Regulations which may result in financial penalties, risk to reputation, appointment of unsuitable partners, potential legal action taken against London Councils, instigating services that are ultra vires etc. Also risk of incorrect procurement advice provided to Directorate Staff	3	3	9	Close working and referrals to the City of London Legal department, training for London Councils staff involved in procurement, clear procedure notes and guidance are included as an Appendix of the Financial Regulations. The guidance will be updated to incorporate the requirements of the new EU procurement directive in 2016.	Andy Pitcairn Head of Budgetary Control & Procurement	1	3	3



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CR3	Inadequate Business Continuity arrangements	Operational, Reputation	Unable to continue day-to-day business in the event of a catastrophic disaster, or unforeseeable event.	1	4	4	London Councils’ Business Continuity Plan (BCP) was updated and approved by CMB in April 2016. An internal audit review of the BCP has recently been completed and the recommendations were incorporated into the final version. The BCP includes adequate arrangements to ensure that all areas of service could continue in the event of a disaster. Nominated Gold, Silver and Bronze team members are the main points of contact for help or advice on emergency procedures and continuity arrangements. Each Directorate has considered its business continuity risks which are reflected in the business risk impact analysis and identified appropriate contingency plans. The BCP includes details of scenario testing, communication plans and examples of the types of scenarios to be considered in disaster recovery situations.	Roy Stanley, ICT & Facilities Manager	1	3	3

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CR4	Loss of income due to freeze/reduction in borough subscriptions	Compliance Financial, Operational, Project	Insufficient resources available to achieve objectives leading to poor service delivery, reputational risk, depletion of financial reserves, inability to meet statutory requirements.	2	3	6	Effective budget planning and in-year budget monitoring and detailed quarterly budget monitoring reports to the Executive and funding stream committees.	Andy Pitcairn Head of Budgetary Control & Procurement	1	3	3
CR5	Non collection of income owed to London Councils	Financial	Lack of liquid cash resources; not able to meet short-term commitments, such as salary payments.	3	4	12	Effective debt monitoring procedures are in place which include the regular review of debtor account balances, automatic reminders generated by CBIS accounting system, follow-up letters and telephone calls made to debtors, ensuring purchase orders are obtained prior to agreeing to perform services, escalation protocol in place for chasing member debts and consideration given to legal referral where relevant. Six monthly progress reports presented to Executive.	David Sanni, Head of Financial Accounting	1	2	2

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CR6	Inadequate reconciliation of financial transactions (including Grants)	Financial	Correct amounts due and payable not reflected in the accounts. Financial statements under/over stated. Possible audit qualification issue.	2	3	6	Quarterly and annual reconciliations of systems are undertaken and reviewed.	David Sanni, Head of Financial Accounting	1	2	2
CR7	Accounts Qualification	Compliance, Reputation, Financial.	Qualified report from external auditors due to missing legal deadline; non-compliance with accounting standards; material errors and misstatements included in the accounts and inadequate system of internal controls resulting in a loss of reputation amongst	3	2	6	Final Accounts timetable produced by City of London has to be adhered to by London Councils. Weekly reconciliations undertaken during closure period. Weekly Finance Team meeting with Director to ensure deadlines met. Developments in Local Authority Accounting are monitored and applied during preparation of accounts. Annual internal audit review of overall system of internal control. Regular update meetings with the external auditor during the course of the year.	David Sanni, Head of Financial Accounting	1	2	2

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			stakeholders.								
CR8	Poor monitoring of budgets	Financial, Reputation	Possible audit qualification issue, budget holders make decisions based on incorrect financial data. Potential overspend/underspend position.	2	3	6	Agreed Performance Indicator for reporting monthly salaries forecast to MT and detailed quarterly budget monitoring reports to the Executive and funding stream committees.	Andy Pitcairn Head of Budgetary Control & Procurement	1	2	2
CR9	Inadequate IT Security	Operational, Reputation, Compliance	System open to abuse from internal misuse and external threats.	4	4	16	IT Security maintained by the City of London (CoL) via SLA for IT services. CoL (IS) provides advice and guidance on security best practice commensurate with data held by London Councils. Regular liaison with Client IT SLA Manager at the City of London regarding IT system issues. An	Roy Stanley, ICT & Facilities Manager	2	4	8

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							internal audit review carried out in November 2013 identified a number of areas for development that would improve IT system security. London Councils along with CoL (IS) will implement the agreed recommendations.				
CR10	Relationship break-down with internal /external audit	Compliance	Relationship with internal/external auditors becomes less 'collaborative' leading to more confrontation over issues raised during the course of audits.	2	1	2	Regular liaison meetings with both internal and external audit during the course of audits. A new external auditor was appointed in December 2015 and new working relationships are being developed. Annual audit plans are approved each year which set out the responsibilities of the relevant parties.	Frank Smith Director, Corporate Resources	1	1	1
CR11	Failure to comply with Health & Safety	Compliance	Risk of physical injury to staff, the public and other stakeholders. Damage to London Councils assets.	3	3	9	Nominated officer responsible for H&S issues and maintenance of London Councils H&S policy. Appropriate insurance policies in place.	Roy Stanley, ICT & Facilities Manager	1	2	2

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CR12	Maintain Asset Register and depreciate as required	Financial	Correct net book value of assets not reflected in financial statements; possible audit qualification issue. Inability to validate assets; potential financial loss in event of insurance claim.	2	2	4	Aggregate listing currently maintained and confirmed correct accounting entries by external audit. A new detailed inventory listing was created in September 2015, further improvements will be made to the listing to ensure it complies with London Councils' Financial Regulations was completed in March 2016.	David Sanni, Head of Financial Accounting	1	1	1
CR13	Poor management of facilities management contractors	Compliance, Financial	Risk of failure by contractors to comply with the terms of their contract. Inadequate service delivery and inefficient use of resources. Risk of physical injury to staff, the public and other stakeholders.	2	2	4	Contract management responsibilities assigned to nominated officers. Performance monitoring procedures established which include regular liaison with account managers. New contracts contain preventative rather than reactive performance monitoring measures which include provisions for penalties to be imposed for poor performance. Contractors H&S policies are scrutinised and contractors made fully aware of London Councils H&S requirements.	Roy Stanley, ICT & Facilities Manager	1	1	1

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CR14	Corporate Resources Staff Charter key performance targets not met (Items not explicitly stated above)	Operational	The lack of an efficient and effective support service provided to London Councils	4	2	8	Close monitoring of KPIs, regular monitoring meetings by CRMT, quarterly stakeholder meetings, review of feedback from staff & surveys, links to staff objectives and appraisals.	Frank Smith Director, Corporate Resources	2	1	2
CR15	Loss of funds held by City of London	Financial Reputational	Temporary or permanent loss of access to funds and/or lost interest of funds held by the City of London as a result of a banking crisis or poor treasury management	2	3	6	London Councils has an agreement with the City of London for a charge to be made for the provision of an indemnity against possible losses of sums invested on behalf of London Councils. There is also regular monitoring of cash balances and the City of London's Treasury Management & Investment Strategy.	Frank Smith Director, Corporate Resources	1	3	3
CR16	Fraud	Financial & Reputation	The risk of financial loss due to fraudulent activity.	4	4	16	Robust system of internal control & governance arrangements, external & internal audit reviews of internal controls and underlying transactions, effective budgetary controls to identify unusual transactions and fidelity insurance. London Councils has established policies on Fraud, Bribery	Frank Smith Director, Corporate Resources	1	4	4

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							& Corruption and Whistleblowing.				
CR17	Lack of IT Strategy	Operational, Project, Reputation & Internal	The risk of IT systems unable to fulfil the future requirements of London Councils.	2	3	6	The ICT Strategy for 2015-18 was approved by the Corporate Management Board in March 2015 and published on the intranet for staff and stakeholders to read. Operationally, the ICT & Facilities manager work alongside COL IT officers & Agilisys, the City IT contractor, to review existing systems to ensure that they are suitable to meet day to day requirements. The strategy is owned by CMB and reviewed quarterly by a user focus group with updates provided to CMB members.	Frank Smith Director, Corporate Resources	1	3	3
CR18	Data Security	Compliance & Reputation	The risk that personal or commercially sensitive data is compromised. This breach of law will result in sanctions from the Information Commissioners Office.	2	2	4	All personal and commercially sensitive data should be held in locked cabinets. All staff handling personal and commercially sensitive data have attended data protection training. Regular checks are carried out to ensure compliance with best practice.	Frank Smith Director, Corporate Resources	1	1	1



