Committee(s)	Dated:
Audit and Risk Management Committee	7 May 2019
Subject: Risk Management Update	**Public**
Report of: Dr Peter Kane, Chamberlain	**For decision**
Report author: Paul Dudley, Chamberlain's department	

Summary

This report provides the Committee with an update on the corporate and top red departmental risk registers. Both these registers have been reviewed by the Chief Officer Risk Management (CORMG) and the Summit Group on 24 April 2019.

There are currently 13 corporate risks (24 April 2019) included on the corporate risk register of which there are three red and ten amber risks. There are two new risks on the corporate risk register – CR27 Change Management and CR28 Action Fraud. (The corporate risk CR28 Action Fraud is reported to Audit and Risk Management Committee in the Not for Publication section of the agenda).

The Audit and Risk Management Committee, at their meeting on 12 March 2019, agreed to de-escalate the CR16 Information Security risk to departmental level (Chamberlain's). Subsequent to this decision the Digital Services Sub Committee, at their meeting on 5 April 2019, have questioned whether the information security risk should be reassessed as a corporate risk. The Committee are requested to consider whether this risk should remain as a Chamberlain's departmental level risk or be re-escalated to the corporate risk register.

CR09 Health and Safety and CR25 GDPR Compliance risks are under review and for possible de-escalation from the corporate risk register.

The Planning and Transportation (P&T) Committee, when reviewing the Department of the Built Environment's quarterly risk register on 18 March 2019, questioned whether current risk score of an amber 6 was appropriate given the the high profile of Ludgate Circus following several serious collisions in recent years. As a result, the score of this risk has been adjusted to an amber 12.

The P&T Committee also commented that the impact description of CR20 road safety risk was inappropriate as it suggested that following a fatal accident in 2015, the City of London Corporation had been expected to take steps to address the risks, and failure to do so would have been a reputational risk. The Committee noted that there were "greater" impacts other than the City Corporation's reputation. The Committee also passed a resolution (attached elsewhere on the Committee's agenda on 7 May 2019) requesting the Audit and Risk Management Committee to review the wording of CR20 risk (the effects in

particular) and to ensure that all other corporate risks describe the "true impacts" and not solely focus on the reputational effects of a risk occurring.

Members are asked to note that the wording the risk description of CR20 is now under review. Subject to this Committee's confirmation, all corporate risk owners will be requested to check their risk descriptions to ensure that the effects of their risk occurring are appropriate. Any changes to corporate risk descriptions will be reported to the July 2019 Audit and Risk Management Committee.

Summit Group at their meeting on 26 March 2019, agreed in principle for a new risk on information management to be included on the corporate risk register subject to a review of the its description and further actions. The revised risk was presented to Summit Group on 24 April 2019 and they reconfirmed their decision that the information management risk would be included on the corporate risk register.

A total of 343 risks (335 in December 2018) have been identified by departments providing a wide range of risks that may affect service delivery. By way of comparison in June 2016 there were a total of 272 risks. Although the number of departmental level amber level risks have remained about the same there has been a small decrease in green departmental level risks. There has however been a significant growth in service/team level risks from 107 in June 2016 to 187 in April 2019.

The total number of top red departmental risks is 16 (ten in December 2018) which includes two Brexit risks.

Recommendations

The Committee is asked to:

a) Note the Planning and Transportation Committee's resolution of the 18 March 2019
b) Confirm that corporate risk owners be requested to review risk descriptions. Any changes to these risk descriptions will be reported to the July 2019 meeting.
c) Endorse the decision of the Summit Group that information management risk to be included on the corporate risk register (risk no CR29).
d) Confirm the risk status (corporate or departmental) of the information security risk (formerly CR16)
e) Note the risk report.

Main Report

Background

1   The corporate risk and top red departmental risk registers has recently been reviewed by the Chief Officer Risk Management Group as well as the Summit Group at their meeting on 24 April 2019.
2   A total of 343 (335 in December 2018) wide ranging risks have been identified by departments - 32 red, 200 amber and 111 green risks.

3 Of the 343 total risks, there are 13 corporate, and 16 top red departmental level risks. There are another 88 amber and 39 green risks recorded at departmental level. The remaining 187 are recorded as either service or team level risks.

4 By way of comparison, in June 2016 there were a total of 272 risks. The number of departmental level amber level risks have remained about the same and there has been a small decrease in green departmental level risks. However there has been a significant growth in service/team level risks from 107 in June 2016 to 187 in April 2019. There are likely to be several factors at play to explain this increase including a greater awareness of the management of risk (and the risk system) through risk training for senior managers and managers, a closer focus on linking risks to service objectives and the use of service risk registers to manage and monitor and report actions for business planning purposes (i.e. not evident that the overall level of risk within the City Corporation has increased).

5 Departments have used the City Corporation's Risk Management Strategy to ensure that there is a consistent approach to the way risks are described and scored. Attached as appendix 1 is the corporate risk matrix which illustrates the likelihood and impact ratings as well as the definitions for red, amber and green risks.

Corporate risk register

6 There are currently 13 corporate risks (three red and ten amber). A copy of the corporate risk register is attached as appendix 2a together with the risk assessment history of the corporate risks (appendix 2b). Below shows the disposition of corporate risks on the risk matrix from 3 January to 26 April 2019.

Movement of risks since last report

7 There are two new risks on the corporate risk register – CR27 Change Management and CR28 Action Fraud. (The corporate risk CR28 Action Fraud is reported to Audit and Risk Management Committee in the Not for Publication section of the agenda).

8   The Audit and Risk Management Committee, at their meeting on 12 March 2019 agreed to de-escalate the CR16 Information Security risk to departmental level (Chamberlain's). Subsequent to this decision the Digital Services Sub Committee, at their meeting on 5 April 2019, have questioned whether the information security risk should be re- as a corporate level. The Committee are requested to consider whether this risk should remain as a departmental level risk or be re-assessed to the corporate risk register.

9   The Planning and Transportation (P&T) Committee, when reviewing the Department of the Built Environment's quarterly risk register on 18 March 2019, questioned whether current risk score of an amber 6 was appropriate given the high profile of Ludgate Circus following several serious collisions in recent years. As a result, the score of this risk has been adjusted to an amber 12.

10   The P&T Committee also commented the that the impact description of CR20 road safety risk was inappropriate as it suggested that following a fatal accident in 2015, the City of London Corporation had been expected to take steps to address the risks, and failure to do so would have been a reputational risk. The Committee noted that there were "greater" impacts other than the City Corporation's reputation. The Committee also passed a resolution requesting the Audit and Risk Management Committee to review the wording of CR20 risk (the effects in particular) and to ensure that all other corporate risks describe the "true impacts" and not solely focus on the reputational effects of a risk occurring. The P&T Committee's minute and associated resolution of the 18 March 2019 is attached elsewhere on the Committee's agenda for the 7 May 2019.

11   Members are asked to note that the wording the risk description of CR20 is now under review. Subject to this Committee's confirmation, all corporate risk owners will be requested to check their risk descriptions to ensure that the effects of their risk occurring are appropriate. Any changes to corporate risk descriptions will be reported to the July 2019 Audit and Risk Management Committee.

12   Both CR09 Health and Safety Risk as well as CR25 GDPR – Phase 2 risks are under review.

13   Following comments made at an Audit and Risk Management Committee meeting the Corporate H&S and Wellbeing Group are considering whether this risk should be now be managed at departmental level at a forthcoming H&S workshop to be held in May 2019.

14   CR25 GDPR Phase 2 – the GDPR project effectively closed on 29 March 2019 although there are some further actions to be completed. In addition, a Mazars compliance audit is being undertaken in May/June 2019. The Comptroller and City Solicitor has agreed that CR25 should remain a corporate risk until the results of the compliance audit are known which should be early summer. A further assessment of this risk will then be undertaken, and the outcome reported back to Summit Group and the Audit

and Risk Management Group. The title of CR25 risk has now been changed to GDPR compliance.

15   Table 1 below – List of current corporate risks as at 8 April 2019 (ordered by corporate - strategic and operational categories)

Risk ref	Risk title	Status	Risk Score	Trend Icon	Strategic/ Operational
CR24	Operational Security	Red	24	▬	S/O
CR28	Action Fraud **(New)**	Red	24	▬	S/O
CR27	Change Management **(New)**	Amber	8	▬	S
CR02	Loss of Business Support for the City	Amber	12	▬	S
CR23	Police Funding	Red	16	▬	S
CR10	Adverse Political Developments	Amber	8	▬	S
CR26	Brexit risk	Amber	12	▬	S
CR21	Air Quality	Amber	12	▬	O
CR01	Resilience Risk	Amber	12	▬	O
CR09	Health and Safety Risk (under review)	Amber	12	▬	O
CR20	Road Safety	Amber	12	⬆	O
CR25	GDPR Compliance (under review)	Amber	6	▬	O
CR17	Safeguarding	Amber	8	▬	O

Information Management – confirmation of corporate risk status

16   Summit Group at their meeting on 26 March 2019, agreed in principle for a new risk on information management to be included on the corporate risk register subject to a review of the its description and further actions. The revised risk (see appendix 4) was presented to Summit Group on 24 April 2019 and they reconfirmed their decision that the information management risk would be included on to the corporate risk register.

Corporate risk ratings and target dates

17   Out of the thirteen corporate risks, five risks have annual target dates and relate to longer term risks. These are:

- CR01 Resilience risk
- CR02 Loss of Business Support for the City
- CR09 Health and Safety (This risk is under review by Town Clerk's department)
- CR10 Adverse political developments
- CR17 Safeguarding

The eight other risks relate to specific target dates where the risk scores should be achieved.

18 The corporate risk with the highest likelihood rating (Likely) is CR23 Police funding. The following corporate risks which have the highest impact rating (Extreme) are CR10 Adverse Political Developments, CR17 Safeguarding, CR24 Operational Security and CR28 Action Fraud.

19 Below is a table showing the one corporate risk which has a target date within the next three months. Further information about this risk is contained in the corporate risk register (appendix 2).

Code	Title	Current Risk Score	Target Risk Score	Target Risk Date
CR26	Brexit Risk	12	6	30 June 2019

Top departmental red risks

20 There are 16 top red departmental risks (10 in December 2019). There has been some significant movement on this register since December 2018:

- Eight new red departmental risks – MCP PHPP Brexit, CLF 14Political Change, BBC Commerce Brexit 003, BBC Buildings 006, CHB IT 026 (COLP IT Modernisation),027 (IP telephony) and 029 (2020 contract planning and procurement), MAN CCC 002 Working at height.
- Two risks have been removed from this register – CHB CP 001 Brexit risk City Corporation procurement and OSD 006 Impact of development summary risk.

21 Only one risk has a score of 24 - CLF -012 CLF Estate development (formerly CLF Master Plan). The register also included two Brexit related risks (GSMD SUS 004 and BBC Commerce 003). A top red departmental risk status history is attached as appendix 3a together with the detailed risk register as appendix 3b.

Conclusion

22 The corporate and top red departmental risk registers were reviewed by CORMG and Summit Group on 24 April 2019. The CORMG provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate and top red departmental risks are appropriate and being actively managed.

Appendices:
APPENDIX 1 – Corporate Risk Matrix
APPENDIX 2a – Corporate risk register – detailed version
APPENDIX 2b – Corporate risk register – risk history status
APPENDIX 3a – Top red departmental risk register - detailed version
APPENDIX 3b – Top red departmental risk history status
APPENDIX 4 – Information Management – revised risk

Contact: *Paul.Dudley | Paul.Dudley@cityoflondon.gov.uk | 02073321297*