

<b>Committee(s):</b> Finance Committee – For Information	<b>Date(s):</b> 15/10/2019
<b>Subject:</b> Chamberlain's Department Risk Management – Quarterly Report	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
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### Summary

This report has been produced to provide Finance Committee with an update on the management of risks faced by the Chamberlain's department.

Risk is reviewed regularly by the departmental Senior Leadership Team as part of the ongoing management of the operations of the Chamberlain's department.

The Chamberlain's department currently has two corporate risks and nine departmental risks on its risk register. For this Committee, the most significant risk is:

- **CR23 – Police Funding (Current Status: RED)**

The Information Security Corporate Risk is kept under regular review by the Digital Services Sub Committee and Audit & Risk Management Committee. A Fundamental Review risk is also being developed for consideration.

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these risks.

### Recommendation(s)

Members are asked to note the report and the actions taken in the Chamberlain's department to monitor and manage risks arising from our operations.

### Main Report

### Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Finance Committee has determined that it will receive the Chamberlain's risk register on a quarterly basis with update reports on RED rated risks at the intervening Committee meetings.
2. Chamberlain's risk management is reviewed on a monthly basis at Departmental Senior Leadership Team (SLT) meeting. Consideration is also given as to whether there are any emerging risks for inclusion in the risk register within Divisional updates on key issues from each of the Directors, ensuring that adequate consideration is given to operational risk.

3. Risk and control owners are regularly consulted regarding the risks for which they are responsible, with updates captured accordingly. Significant changes to existing risks are escalated to SLT when identified.

### **Summary of Risks**

4. The Chamberlain's department currently has 2 corporate risks and 11 departmental risks on its risk register, attached as Appendix 1 to this report, assessed as 1 RED risk, 11 AMBER risks and one GREEN risk. These are:

#### **CR23 – Police Funding (Current Risk: Red – no change)**

5. This risk has not changed since the last report. Options to implement a sustainable medium-term revenue and capital settlement for the Police will be considered in the autumn Committee cycle.

#### **CR16 – Information Security (Current Risk: Amber – no change)**

6. Following review with Audit and Risk Management Committee and Digital Services Sub-Committee it was agreed that further steps were required to achieve a maturity level that would reduce the level of risk to the agreed target level, this risk will now be monitored at each meeting of the Digital Services Sub-Committee. This risk was the subject of a Deep Dive Review at the September Audit and Risk Management Committee, assurance was given that this risk is being managed and is on-track to reach its target risk score by the end of October. It was concluded that this risk should remain on the Corporate Risk Register for the time being as this remains a threat to the organisation, although noted that the risk may require re-framing to ensure its future relevance.

#### **Emerging Risk: Fundamental Review**

7. Delivery of the Fundamental Review is critical to the financial sustainability of the City Corporation and a risk is being drafted to reflect this. The main driver for the emergence of this risk is a significant fall in Central Government funding, now expected to reduce in 2021-22, and increasing demands on budgets. The City Corporation has a statutory duty to produce a medium-term financial plan for City Fund that balances the budget. The financial sustainability and the proposals to mitigate the forecast deficit are tested and confirmed as part of the external audit process forming part of the auditor's value for money conclusion.

#### **Dispute Update**

8. The dispute is running in line with the Dispute Strategy approved at Procurement Sub-Committee in May 2019, with all planned dispute notices served between July and September 2019. The next stage of the dispute process in Mediation, which is now scheduled for November 2019.

## **Conclusion**

9. Members are asked to note the actions taken to manage these departmental and corporate risks in relation to the operations of the Chamberlain's Department.

## **Appendices**

- Appendix 1 Chamberlain's Department Detailed Risk Register

## **Background Papers**

Monthly Reports to Finance Committee: Finance Committee Risk

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