

CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

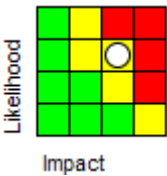
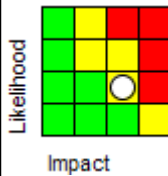

Report Author: Matt Lock

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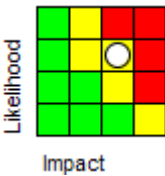
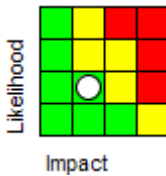



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR23 Police Funding 21-Nov-2016 Ian Dyson; Peter Kane	Cause: Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police. Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget Effect: Potential impact on security and safety in the City as need to make savings, prioritise activity, review funding City of London Police will be unable to maintain a balanced budget and current service levels as reflected in their Medium Term Financial Plan.	 Likelihood Impact	16	An updated medium-term financial projection for the Police was shared at the July RASC away day, along with options to eliminate the deficits to create a sustainable medium-term settlement. It was proposed that the increase in resource allocation be limited to the extent of the approved growth bid of 67 roles (£5.4m in 20/21) with the remaining aspects of the identified deficits to be resolved within the existing resource base of the City of London Police. The October RASC session will give a further steer on the options, having considered the wider Corporation budgetary position, to enable subsequent Committee decisions to be made. 24 Sep 2019	 Likelihood Impact	12	31-Mar-2020	 Constant

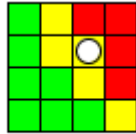
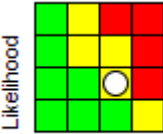

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR23g	Implement sustainable medium-term financial settlement for CoLP: - Revenue position Capital financing	June / July 2019 – MTFP assumptions updated and briefed into July RASC. Police Transform savings and other mitigation options are being further developed to enable steer on balancing of medium-term finances to be given at October RASC session and decisions to be made in autumn Committee cycle and beyond, in light also of Spending Round outcome.	Alistair Cook	24-Sep-2019	31-Mar-2020

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CHB CP001 Brexit risk to City Corporation procurement and supply chains 12-Nov-2018 Christopher Bell	<p>Cause: The UK leaving the EU (Brexit) with no trading deals in place.</p> <p>Event: The result of the Brexit negotiations could have a negative impact on the Corporation's supply chain, both with direct tier 1 suppliers and their sub-contractor network.</p> <p>Effect: Brexit could effect changes to our direct suppliers and their supply chain, impacting negatively on the Corporation. A range of potential impacts are:</p> <ul style="list-style-type: none"> • Regulatory / Legal requirements -existing supply contracts may be impacted by changes in regulation, or legal requirements. • Assurance of Supply - risk that a complete failure in supply of the goods / service (e.g. Carillion) from key suppliers could be felt. • Quality- quality of the goods / service impact due to changes in our Supply Chain. • Service- Service levels be impacted negatively by any changes in the Supply Chain or access to workers, particularly in low skilled categories. • Financial risk -Are any supply changes likely to drive up costs of the Goods / Services/Works in the short/medium/long term. • Sustainability- risk that will change the level of innovation or sustainability of the goods / service/work against expectations? • Workload- Will changes in the Supply Chain cause significant workload to the Procurement/Commercial/Legal teams due to change controls/re-negotiation of terms? 		12	Target amended to 31 December 2019 to assess overall impact on key supplies during a live period of post Brexit. 23 Sep 2019		8	31-Dec-2019	 Constant

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CHB CP001d	Draft a communications plan based on the three likely Brexit scenarios - no deal, extended deal, and deal.	Update: draft letters now in place, Commercial Contract management team reviewing list of suppliers to target with comms and process to feed this exercise through the corporate contract managers. Plan to be in place by end of Sept with date for letters to go out mid October.	Christopher Bell	23-Sep-2019	31-Oct-2019

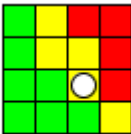
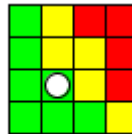

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CHB IT 004 Business Continuity / Disaster Recovery - planning and management. 30-Mar-2017 Sean Green	Cause: A lack of clear understanding of Business need for Services and Applications. No procedure in place for regular reviews with business. Event: The IT Division cannot provide assurance of availability or timely restoration of core business services in the event of a DR incident or system failure. Effect: The disaster recovery response of the IT Division is unlikely to meet the needs of COL and COLP leading to significant business interruption and serious operational difficulties.		12	DR test complete - planning underway to understand remediation actions 20 Sep 2019		4	31-Dec-2019	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB IT 004a	Plans developed in accordance with BIAs	AF to contact Ben Morris to agree way forward for BIAs, including validating Critical Applications and Services List against policy	Matt Gosden	20-Sep-2019	31-Oct-2019
CHB IT 004f	Review Critical Applications list for a view of applications to be updated	Following the internal agreement of the updated Critical Apps list, discussions are now underway to agree these with Agilisys	Matt Gosden	20-Sep-2019	31-Oct-2019
CHB IT 004h	Review infrastructure analysis and scenario impact analysis	Scenarios are being developed currently to be tested	Matt Gosden	20-Sep-2019	30-Nov-2019
CHB IT 004i	Rolling DR and Resilience test	Series of rolling test to be devised as part of continuous service testing for 2020 DR Test Plan for On Premise	Matt Gosden	20-Sep-2019	30-Sep-2019

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR16 Information Security (formerly CHB IT 030) 10-May-2019 Peter Kane	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: Cybersecurity attack - unauthorised access to COL IT systems. Loss or mishandling of personal or commercial information. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 2018. Incur a monetary penalty of up to €20M. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.	 Likelihood Impact	12	Following review with A&R committee and DSSC it was agreed that further steps were required to achieve maturity level that could bring the score to its target 29 Aug 2019	 Likelihood Impact	8	31-Oct-2019	 Constant

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CR16k	Final stages of completing information security projects which will mean that we can assure Members that the City of London Corporation has implemented all the national government recommended security practices and technology achieving a maturity level of 4.	Information Security projects are being delivered as planned. The Information Security team recommended to the Audit and Risk Committee that this risk is reduced to Amber. Move towards a continuous improvement model is being adopted to ensure the controls in place are embedded, mature and reflective of emergent threats and risks.		Gary Brailsford-Hart	23-May-2019	30-Sep-2019
CR16l	New toolkit for monitoring and managing the security risk being discussed with the Digital Services Sub-Committee at their meeting on the 30th May 2019.	Recommending that the Digital Services Sub Committee adopts an additional tracking tool called the Cyber Security Board Toolkit This was agreed at last DSSC and a member's workshop is being arranged.		Gary Brailsford-Hart	29-Aug-2019	31-Oct-2019
CR16m	Review of how Cyber risk is identified, analysed and monitored – the expectation is we should be moving beyond compliance measuring (Ten Steps) and seeking to integrate cyber security into organisational risk management processes.	Compliance and security are not the same thing. They may overlap, but compliance with common security standards can coexist with, and mask, very weak security practices. Good risk management should go beyond just compliance. Good risk management should give insight into the health of the City of London and identify opportunities and potential issues. Many of our organisational risks will have a cyber component to them. Cyber security risk should therefore be integrated with our organisational approach to risk management. Dealing		Gary Brailsford-Hart	29-Aug-2019	31-Oct-2019

		with cyber security risk as a standalone topic (or considering it simply in terms of 'IT risk') will make it hard for us to recognise the wider implications of those cyber security risks, or to consider all the other organisational risks that will have an impact on cyber security			
CR16n	Now in continuous improvement with monitoring and review at the DSSC	<p>Updates to be provided to DSSC committee every two months with a deep dive at the next A&R Committee.</p> <p>Report provided to A&R, monitoring agreed to continue at DSSC.</p>	Gary Brailsford-Hart	29-Aug-2019	28-Sep-2019

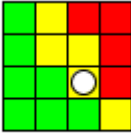
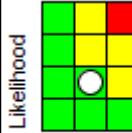

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CHB FS005 Brexit impact on City Corporation income streams	<p>Cause: The outcome of the Brexit negotiations disrupts funding streams in terms of both access to EU funding for UK-based organisations, and a potential downturn in investment in the City.</p> <p>Event: The City Corporation fails to prepare adequately for the potential disruption to current income/funding streams.</p> <p>Effect: Potential disruption in ability to deliver or commit to services/projects; increased demand on City Corporation services and grant giving owing to reductions in funding to UK-based charitable organisations.</p>	<div> <div>Likelihood</div>  </div> <div>Impact</div>	8	<p>Having reviewed the services in receipt of EU funding, the areas affected are:</p> <ul style="list-style-type: none"> • Agriculture: Funding is being guaranteed by the government or replacement funding planned; so exposure is limited to reductions over time • Capital Projects, have received one off grants in the past particularly at the markets, would need to be covered until planned resourcing for asset replacement • Only the Barbican would be affected by specific annual grants and at £70k this is small. <p>Our exposure to this risk is therefore remains low.</p>	<div> <div>Likelihood</div>  </div> <div>Impact</div>	4	31-Mar-2020	

12-Nov-2018 Caroline Al-Beyerty				<p>The risk of a reduction to rental income from the property investment portfolio is low in the short term with tenants tied to rental values in long lease agreements.</p> <p>Our non-property investments are mainly invested in pooled global securities and therefore very limited exposure to any potential deterioration or volatility in the FTSE index.</p> <p>Funding streams are more exposed to a fall in office space occupation and consequent reduction in retained business rate income. However, there is no current indication of a fall in occupation levels or demand for City office and retail space; and the medium term financial plan only proposes spending business rate growth on one-off projects. The risk that Brexit may be used to attempt to terminate leasing contracts is limited as the European Medicines Agency lost a High Court attempt to cancel their lease earlier this year.</p> <p>23 Sep 2019</p>				Constant
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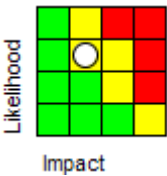
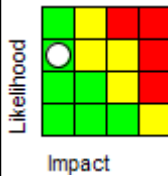

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CHB FS005b	A reduction in the demand for office and retail space in the City and West End leading to a reduction in market rental rates and a consequent reduction in rental income from the City's Property Portfolio.	The City Surveyor has identified no current fall in demand for office accommodation and the Central London market, in particular, has up to now been buoyant. Forecast rental income is regularly reviewed and any potential reduction will be factored into the medium-term financial plan.	Nicholas Gill	23-Sep-2019	31-Mar-2020

CHB FS005c	<p>A reduction on the FTSE leading to:</p> <ul style="list-style-type: none"> • a reduction in the value of pooled investments- reducing the ability to draw down income streams to fund City's Cash and Bridge House Estates Activities • a reduction in the actuarial valuation of pension fund investments and failure to meet the timetable for pensions deficit recovery. In this event, a consequent potential need to make an employer's contribution into the scheme from revenue resources. 	<p>The risk is very low as the City has a blend of strategies to manage investment risk across the investment cycle – currently only approximately 17% of funds are invested in UK mandates; with the bulk of the portfolio invested in global mandates. We are a long-term investor and over time the value of the pooled securities moves with market cycles. The Financial Investment Board (FIB) reviews the performance of the fund managers and consequently the overall performance of the Funds at each meeting and receives regular reports from the Investment Consultant on the state of the markets</p>	Kate Limna	23-Sep-2019	31-Mar-2020
CHB FS005d	<p>A reduction in demand for office space in the square mile, leading to lower occupation and business rate income. As the Corporation is currently benefitting from growth in business rates retained income of c£40m.</p>	<p>There is no indication of a significant fall in demand for office or retail space in the City.</p> <p>Our financial plans currently only permit the growth in Business Rates retained income to be spent on one-off projects.</p> <p>There is a safety net in the Business Rates Retention scheme which limits our exposure should Business Rates fall below the amount set as our baseline funding amount. As part of the current London Business Rates Pool pilot scheme there is a no-detriment guarantee which limits our exposure to a fall in Business Rates.</p>	Phil Black; Philip Gregory	23-Sep-2019	31-Mar-2020
CHB FS005f	<p>In the event of a no-deal Brexit, events at the Barbican Centre not going ahead/ becoming more costly, due to: restrictions on:</p> <ul style="list-style-type: none"> • movement of people- with delays in artists/ teams arriving, additional costs of visas and staff shortages in ancillary services; • movement of cultural goods and data- new costs, customs and freight disruption, supply chain disruption and ease of transfer of personal data; • potential tariffs; and • currency fluctuations <p>ultimately reducing profitability of events and increasing the net cost of the Barbican to City Fund.</p>	<p>Movement of people:</p> <p>-Recent Home Office announcement that in a No Deal scenario, EEA citizens will be able to enter the UK to visit, work or study as they do now as long as they do not intend to stay for longer than 3 months mitigates risk around potential visa costs and administrative burden.</p> <p>-Ensuring contractors and suppliers of supporting areas of the business eg catering, have robust Brexit risk mitigation plans (low).</p> <p>Movement of goods and services- this remain a key risk and ties in with the overall supply chain risk for the organisation. The Barbican will continue to monitor Brexit-related developments and assess potential impact, particularly from freight delays. In addition, the Barbican will:</p> <p>-Review legal, insurance and contractual position in the case of event cancellation;</p> <p>-Prepare communications plan for companies/audiences in the case of event cancellation; and</p> <p>-Review exposure to EU data transfers by contacting suppliers.</p> <p>Potential tariffs- unknown at this stage. Monitor position regularly and assess potential impact.</p>	Sandeep Dwesar	13-Sep-2019	31-Oct-2019

		<p>Currency fluctuations - where possible, contracts (and fees) will be agreed in sterling although it is not easy to but a % in it..</p> <p>The Barbican continues to closely monitor political developments and explore measures that can be implemented to try and mitigate against these risks. This work is being undertaken in collaboration with key City of London Corporation departments as part of the Corporation-wide planning for a No Deal Brexit.</p>			
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CHB IT 028 Air Conditioning Failure in Datacentres 10-Jun-2019	<p>Cause: The air conditioning units are failing in a number of the Guildhall Communication Equipment Rooms (CER's) / Datacentres. The existing air conditioning units are circa 12 years old and are being reset on a daily basis by the facilities team to keep them functional</p> <p>Event: There will be intermitted / prolonged service disruptions across the IT service provision.</p> <p>Effect:</p> <ul style="list-style-type: none"> • Essential/critical Systems or information services are unavailable for an unacceptable amount of time • Recovery of failed services takes longer than planned • Adverse user/member comments/feedback • Adverse impact on the reputation of the IT division/Chamberlain's Department 	 <p>Likelihood</p> <p>Impact</p>	8	Auto alerts in place for monitoring for Guildhall in Comms Rooms with additional resilience in place. Quotes being sought for further improvements by the facilities 20 Sep 2019	 <p>Likelihood</p> <p>Impact</p>	4	31-Mar-2020	 Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB IT 028c	Shutdown any unused infrastructure within the CER rooms to reduce heat and stress on the air conditioning system.	Plans being development to decommission and remove old equipment for disposal			Matt Gosden	20-Sep-2019	31-Dec-2019
CHB IT 028d	Expedite the removal of the old core networking switches (which consume significant power and contribute to the heat output in both NWSB and GJR CER's). This can be achieved by extending the new core into the GJR CER using existing fibre pairs and new Aruba switches (which should be in-stock).	Plan and change plan being actioned to remove old core network following decommissioning as part of Network Project			Matt Gosden	20-Sep-2019	27-Sep-2019

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CHB IT 029 iTrent Contract 18-Jun-2019	Cause : Extension of contract passed the envisaged term of 10 years with no permissible grounds. No projects started to procure a replacement. Event : City of London receive a challenge around th contract for iTrent with MHR Ltd around the exention of contract. Effect : Legal challenge/court proceedings from a competitor to iTrent. CoL could be forced to issues 18 months termination notice before they are ready ti implement a replacement product.		6	Kevin to recruit a OM to lead intitial works and update actions for risk 20 Sep 2019		3	31-Mar-2020	 Constant

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CHB IT 029a	Identify project sponsor and determine high level options	The Chamberlain was identified as the project sponsor			Kevin Mulcahy	27-Aug-2019	30-Sep-2019
CHB IT 029b	Identify funding to deliver options appraisal.	Discussions to be held			Kevin Mulcahy	18-Jun-2019	31-Oct-2019