

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	19 November 2019
<b>Subject:</b> Risk Management Update	<b>Public</b>
<b>Report of:</b> Dr Peter Kane, Chamberlain	<b>For decision</b>
<b>Report author:</b> Paul Dudley, Chamberlain's department	

### Summary

This report provides your 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 Group (CORMG) on 1 October 2019 and Summit Group on 23 October 2019.

A total of 334 risks (334 in July 2019) have been identified by departments providing a wide range of risks that may affect service delivery.

There are currently 15 (15 in July 2019) corporate risks included on the corporate risk register of which there are five red and 10 amber risks. However, two new corporate risks (CR30 Climate Action and CR31 Fundamental Review Delivery) have been approved by the Summit Group at their meeting on 23 October 2019. Both risks are presented to your Committee for endorsement.

The total number of top red departmental risks is 16 (13 in July 2019). One risk has been removed and four new risks added to this register.

The EU have granted the UK a further Article 50 extension up to 31 January 2020. The City Corporation's Brexit related risks continue to be reviewed by Chief Officers and the Brexit Planning Group although group meetings have been temporarily suspended pending the outcome of the General Election on 12 December 2019. Significant progress has been made in mitigating the potential effects of Brexit on the City Corporation's operations. As a result, the corporate Brexit risk (CR26) has been re-rated from an amber 12 to an amber 8 current risk score (October 2019).

### Recommendations

The Committee is asked to:

1. Note the risk report, including changes to both corporate and top red departmental risk registers since July 2019.
2. Endorse the decision of the Summit Group to include both the CR30 Climate Action and CR31 Fundamental Review Delivery risks on to the corporate risk register.

## Main Report















### Background

- 1 The corporate risk and top red departmental risk registers have been reviewed by the Chief Officer Risk Management Group on 1 October 2019 and Summit Group on 23 October 2019.
- 2 A total of 334 (334 in July 2019) wide ranging risks have been identified by departments – 34 red, 206 amber and 94 green risks.
- 3 Of the 334 total risks, there are 15 corporate, and 16 top red departmental level risks. There are another 101 amber and 36 green risks recorded at departmental level. The remaining 166 are recorded as either service, team or project level risks.
- 4 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.

### Corporate risk register

- 5 There are currently 15 corporate risks (five red and 10 amber). However, two new corporate risks (CR30 Climate Action and CR31 Fundamental Review Delivery) have been approved by the Summit Group at their meeting on 23 October 2019 (see para 8 below). These two new risks have not been shown in the table below. A copy of the corporate risk register is attached as appendix 1 together with the risk assessment history of the corporate risks as appendix 2.

Table 1 below – List of current corporate risks as at 4 November 2019 (ordered by risk score)

Code	Title	Risk status	Risk Score	Trend Icon	Category – Strategic/ Operational
CR20	Road Safety		24		O
CR24	Operational Security		24		S/O
CR28*	Action Fraud		24		S/O
CR17	Safeguarding ( <i>Risk score increased from Amber 8 to Red 16 – Sept 2019</i> )		16		O
CR23	Police Funding		16		S
CR01	Resilience Risk		12		O
CR02	Loss of Business Support for the City		12		S

CR09	Health Safety and Wellbeing Risk (Management System)		12		O
CR10	Adverse Political Developments		12		S
CR16	Information Security (formerly CHB IT 030)		12		O
CR21	Air Quality		12		O
CR29	Information Management		12		O
CR26	Brexit - Organisational Impact ( <i>Risk score decreased from Amber 12 to Amber 9 – October 2019</i> )		8		S
CR25	General Data Protection Regulation Compliance		6		O
CR27	Change Management		6		O

(\* = The corporate risk CR28 Action Fraud (appendix 3) is reported to Audit and Risk Management Committee in the Not for Publication section of the agenda).

### Changes to the Corporate risk register

- 6 The following changes have been made to the corporate risk register since July 2019:
- CR09 Health and Safety Management System has a revised risk description and the target score adjusted from an amber 12 to an amber 8 following discussion on two occasions by the Corporate Health, Safety and Wellbeing Group, most recently in September 2019.
  - CR16 Information Security has a revised risk description following a suggestion at the September 2019 Audit and Risk Management Committee in relation to information security preparedness.
  - CR17 Safeguarding increased in risk score from an amber 8 to a red 16 due to issues in communications with the Emergency Duty Team – September 2019. Risk maintained at a red 16 current score.
  - CR25 GDPR Compliance - although this risk remains on the corporate risk register, the Comptroller and City Solicitor is due to submit a report on the outcome of an internal audit of GDPR compliance to the Audit and Risk Management Committee in November 2019. It is anticipated that this is likely to result in this risk being removed from the corporate risk register and on to the Comptroller and City Solicitor's departmental risk register.
  - CR26 Brexit risk. This risk focusses on the City Corporation's preparations for Brexit which have made good progress. The Brexit Planning Group agreed (October 2019) to reduce the risk score from an amber 12 to an amber 8. Risk maintained at an amber 8 current risk score.

## Disposition of corporate risks on the risk matrix

- 7 Table 2 below shows the disposition of corporate risks on the risk matrix between 12 July and 4 November 2019.



## Proposed new corporate risks

- 8 Summit Group on 23 October 2019 approved two new corporate risks presented here for endorsement. These two new risks are not included in the above corporate risk total. The brief details of each risk event are set out below:
- CR30 Climate Action:** The City Corporation does not adopt a credible Climate Action Strategy to meet the challenges and effects of climate change, as it affects the discharge of its role and responsibilities across its own organisational assets within the Square Mile and beyond (i.e. we have open spaces, offices, property assets and housing outside the Square Mile), as well as its role and responsibilities as the governing body of the Square Mile.
  - CR31 Fundamental Review delivery:** Compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit are not fully realised through the Fundamental Review. Police Transform programme fails to realise the budget mitigations anticipated.

The full description of both these risks, with risk scores and related actions are set out in appendix 4.

## Corporate risk ratings and target dates

- 9 Out of the fifteen corporate risks, six 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
- CR10 Adverse political developments
- CR16 Information Security
- CR17 Safeguarding

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

- 10 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 CR17 Safeguarding, CR20 Road Safety, CR24 Operational Security and CR28 Action Fraud.

## Top departmental red risks

- 11 There are 16 top red departmental risks (13 in July 2019). There continues to be a fluid movement of top red departmental risk register with one risk being removed and four new risks being added to the register. Attached as appendix 5 is the top red departmental short risk register report which provides a list of all top red departmental risks. A copy of the top red detailed risk register is available on request. The following changes have been made since the last report in July 2019.

- **Risk removed:** CLF 012 Estate plan development.
- **New risks:** BBC Finance 001 – Financial targets not achieved, BBC Finance 003, Funding reductions, DCCS ED 01 and Failure to deliver the COL Academy expansion programme, OSD 004 Repairs and maintenance.

## Brexit

- 12 The EU have granted the UK a further Article 50 extension up to 31 January 2020. The City Corporation's Brexit related risks continue to be reviewed by Chief Officers and the Brexit Planning Group. However, group meetings have been temporarily suspended pending the outcome of the General Election on 12 December 2019. Significant progress has been made in mitigating the potential effects of Brexit on the City Corporation's operations. As a result, the corporate Brexit risk (CR26) has been re-rated from an amber 12 to an amber 8 current risk score (October 2019).

## **Conclusion**

- 13 The corporate and departmental risk registers were reviewed by the Chief Officer Risk Management (CORMG) on 1 October 2019 and Summit Group on 23 October 2019. The CORMG provides additional assurance to the Summit Group, Chief Officer Group 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 register – detailed version

**APPENDIX 2** – Corporate risk register – risk assessment history

**APPENDIX 3** – Corporate risk 28 Action Fraud **(Not for publication)**

**APPENDIX 4** – Proposed new corporate risks

**APPENDIX 5** – Top red departmental risk register – Short summary report

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