

Committee(s): Finance Committee – For information	Date(s): 18 February 2020
Subject: Chamberlain's Department Risk Management – Quarterly Report	Public
Report of: Chamberlain	For Information
Report author: Leah Woodlock, Chamberlain's Department	

Summary

This report has been produced to update Finance Committee on the risks and their management by the Chamberlain's department.

The Senior Leadership Team regularly review the risks as a part of the management of the Chamberlain's department.

The Chamberlain's department currently has two corporate risks and six departmental risks on its risk register. There is one risk with a red status:

- CR23 Police Funding

There are several Amber rated risks that relate to IT and the impact of Brexit.

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

Recommendation(s)

Members are asked to note the report.

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 heatmap comparison from last quarter for all Chamberlain's department risks is as below:

As at 4 February 2020 (total 44 risks; 1 red, 24 amber and 19 green)

Likelihood	0	1	1	0
	1	8	8	0
	1	12	7	0
Impact	1	1	3	0

As at 31 October 2019 (total 39 risks; 2 red, 22 amber and 15 green)

Likelihood	0	0	1	0
	0	6	10	1
	0	11	6	0
Impact	0	1	3	0

5. On 28 January 2020, the Audit and Risk Management Committee endorsed the updated City Corporation's risk management strategy. The strategy included details in applying the risk appetite levels to corporate risks. (Risk appetite is defined as the amount of risk that an organisation wishes to accept in pursuit of its aims and objectives).
6. The Chamberlain's department currently has two corporate risks:
 - **CR23 Police Funding (Red 16)**. Police Funding is currently assessed as above appetite for a financial risk (appetite level for a financial risk is amber 12).
 - **CR 16 Information security (Amber 12)**. Information security is a technology risk and is currently assessed at appetite (Appetite level for a technology risk is amber 12).
7. The two Corporate risks and six Departmental risks on its risk register, attached as Appendix 1 to this report, are assessed as 1 RED risk and 7 AMBER risks. These are detailed below:

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

8. An updated Police MTFP was presented into the January Committee cycle. This shows a balanced position for 20/21, which was affirmed subsequently by the Government settlement and is subject to resource allocation decisions, with following year deficits of c.£3m pa. A key financial risk within the MTFP relates to future Action Fraud requirements. Agreement on a sustainable MTFP will assist in working towards reducing the current risk from Red to Amber.

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

9. A capital bid has been approved by Resource Allocation Sub-Committee to fund new security protection. This bid was supported by the Digital Services Sub-Committee. The new security tools to be implemented pending final approval from Court of Common Council. Staff training and awareness of IT security will continue during 20/21.

CHB IT 001 Resilience - Power and infrastructure (Current Risk: Amber – decreased)

10. The likelihood of this risk has decreased based on recent events to prevent further power failures. A capital bid has been approved by Resource Allocation Sub-Committee based on an audit to install Uninterrupted Power Supply (UPS) across the estate (where appropriate). Two UPS's are being installed in the main two Guildhall Communications Rooms. Upon installation of the UPS the risk is anticipated to reduce from red to amber.

CHB CP001 Brexit risk to City Corporation procurement and supply chains (Current Risk: Amber – no change)

11. In December 2019, letters were sent to all key suppliers requesting information about their Brexit planning, detailing the risks on supply and cost. 64% of suppliers responded, reporting that there was no supplier risk. Some suppliers advised there would be some cost pressures, but no significant risks were recorded. An analysis of all feedback is being conducted for the Brexit Group.

CHB IT 030 2020 - Managed Service Contract (Current Risk: Amber – no change)

12. In December 2019, it was announced that Agilisys was awarded the new IT services contract. A transition manager is now in place and working to develop and implement a transition plan.

CHB FS005 Brexit impact on City Corporation income streams (Current Risk: Amber – no change)

13. There is currently no change on this risk. The impact of Brexit and the negotiations are being closely monitored as they arise. A main component of the risk is anticipation that our funding streams are more exposed. At the end of December 2019, it was reported that there was no current fall in demand for office accommodation across Central London. Forecast rental income is regularly reviewed.

CHB IT 004 Business Continuity / Disaster Recovery - planning and management. (Current Risk: Amber – reducing)

14. The likelihood of a system failure has reduced to unlikely causing the risk score to fall. A resilient circuit has been installed and a successful Disaster Recovery Test has been undertaken. A programme of Disaster Recovery (DR) tests has been developed and being implemented. The risk will be reviewed in line with DR test results.

CHB IT 029 iTrent Contract (Current Risk: Amber – no change)

15. The Tender Working Group met in January 2020, a tender for consultancy is to go live the week commencing 3rd February on Capital E-Sourcing (Procurement System) for bids. A Capital bid has been approved by Resource Allocation Sub-Committee for funding. Bids will be collated and presented to the next Working Group meeting, expected in May 2020.

Appendices

- Appendix 1 Chamberlain's Department Detailed Risk Register

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk

Leah Woodlock

Chamberlain's Department

T: 020 7332 1276

E: leah.woodlock@cityoflondon.gov.uk