

Committee:	Date:	Item no.
Audit & Risk Management Committee	9 th September 2014	
Subject: Risk Management Update	Public	
Report of: Chamberlain	For Information	
<u>Summary</u>		
<p>This report presents the Audit and Risk management Committee an update on the Corporate Risk Register and progress on the Risk Management Information System.</p> <p>The Risk Management Strategy was approved at the May Audit and Risk Management Committee, and the templates for the Corporate risks have been updated to reflect the new scoring criteria and include the target risk score. As a result all the corporate risks have been rescored.</p> <p>Covalent has been chosen as the risk management information system and work is progressing to install the software. It is expected that rollout of the software will begin in September, and as part of the process, departmental risk registers will be refreshed and moved on to the new 4x4 scoring methodology.</p> <p>As agreed at the last Audit & Risk Management Committee a rolling programme of engaging with Chief Officers to discuss their Departmental Risk Register is being introduced on the close of each Audit and Risk Management Committee meeting. This programme has been developed so that all departments are challenged within a 12 month cycle. The first of these, commencing at this meeting, is in respect of the Chamberlain's Department.</p>		
Recommendations		
Members are asked to		
<ul style="list-style-type: none"> • review the Corporate Risk Register (Para 4 and Appendix 1); • note the progress of the risk management information system (Para 6); and • note the forward programme of Departmental and Corporate Risk Reviews to be undertaken at the close of each Audit and Risk Management Committee (Para 9 and Appendix 2). 		

Main Report

Background

1. The Corporate risk register (previously known as the Strategic Risk register) was last reviewed by the Chief Officer Summit Group on the 29th July 2014.
2. In accordance with the established risk framework, each risk has been reviewed and updated by the responsible risk owner. The latest corporate risk register contains 10 Corporate risks. (Appendix 1).

Corporate Risk Update

3. Following approval of the risk management strategy, at the May Audit and Risk Management Committee, the corporate risks have been rescored in line with the new 4x4 risk matrix. Updates on the risk register template include the removal of the Gross Risk Scores and Control Evaluation scores. A new Target Risk Score has been added to indicate the intended direction of travel for the risk once further risk mitigation controls have been implemented.
4. Key updates to the Corporate risk register are summarised below:
 - 4.1. CR1 (Resilience Risk): Risk accepted at Amber, indicated by the Target Risk Score which is the same as the Current risk score. Existing work continues to ensure adequate provisions remain in place for the corporation's response to emergency situations.
 - 4.2. CR2 (Risk): Programme of work within EDO continues in defending the City's competitiveness and promoting diverse initiatives to improve the financial services industry. Completion of these works should move the risk to Green from its Current status Amber.
 - 4.3. CR8 (Reputation): Risk accepted at Amber due to several existing controls in place. Annual examination of departmental risk registers by the PRO is in place and will be more streamlined once the new risk management system is in place.
 - 4.4. CR9 (Health and Safety): Likelihood of this risk may drop from Possible to Unlikely after completion of the manager training. However the overall risk level will remain at Amber and be accepted at this level.
 - 4.5. CR11 (Pond Embankment Failures): Risk has been revised to focus specifically on the Hampstead Heath area, due to its high profile. The overarching Reservoir risk is being managed as part of the Open Spaces departmental register. This revised risk is now owned by the Director of Built Environment with the current risk rating at Red. It is hoped that once the Project is completed the risk status could be reduced and accepted at Amber.
 - 4.6. CR14 (Financial Viability Risk): This risk is "acceptable" as it currently stands, with the controls in place. The possibility/certainty of reductions to funding is outside our influence. If the Service based reviews are successful, we will still be in the position that even further reductions in funding will impact our ability to deliver existing services and a balanced budget. This risk may come down to Amber after review by the Policy & Resources Committee on 4th September, however currently remains at Red.
 - 4.7. CR16 (Information Security): Existing policies around information management, cyber security and technology infrastructure are being refreshed. Once completed and communicated it is hoped that the Risk could reduce to Green from its current status as Amber.
 - 4.8. CR17 (Safeguarding): Safeguarding champions have now been established within key departments and an awareness campaign has also begun. As a result the risk score has been set and accepted at Amber.

4.9. CR18 (Workforce Planning): Actions within the HR Business Plan should help to reduce the risk status to Green from its current status Amber.

Top Departmental Risk Review

5. Departmental risk registers are sent to the Internal Audit section each quarter in order to identify significant risks requiring potential escalation to the corporate risk register. As part of the new risk framework it was agreed that not all significant risks require escalation to the corporate risk register, however they can still be significant for the respective department. As a result a new top departmental risk register has been created to raise awareness of these risks. Four Departmental red risks were considered by the Summit Group on the 29th July 2014. None of these four risks were considered for escalation on to the Corporate Risk Register at this time.

Risk management Information System

6. Following demonstration from several software companies, including Oracle, Covalent has been chosen as the risk management information system. This was a collective decision based on feedback from members of the risk management group.
7. Approval has also been gained for the IS board allowing for the procuring of the system to begin. It is envisaged that the new software will be installed and rolled out from September 2014 with the Chamberlain's department to start the rollout.
8. Departmental rollout will coincide with a refresh of their risk registers, which will include scoring risks based on the new 4x4 risk matrix.

Cyclical Review of Corporate and Departmental Risks (Appendix 2)

9. As agreed at the last Audit and Risk Management Committee meeting, a rolling programme of engaging with Chief Officers to discuss their Departmental Risk Register is being introduced on the close of each Audit and Risk Management Committee meeting. The first of these meetings will be in respect of the Chamberlain's Department. These sessions will be informal, with any key points noted and reported back to the following Audit and Risk Management Committee meeting.
10. As part of the review the Chief Officer will produce a brief report highlighting how departmental risks are being managed and also provide an overview of the highest scoring risks within their departmental risk register. The report will also include a brief update on any Corporate Risks they own. The guidance provided to Chief Officers is set out in Appendix 2, and will be revised in light of experience. The forward programme of Challenge Sessions is set out in the following table.

11.

Departmental reviews	Date
Chamberlains (including update on CR14: Finance and CR16: Information Governance) and New Risk CR18: Workforce Planning	9 th Sep 2014
Town Clerks (including update on CR1: Resilience, CR2: Supporting the Business City, CR8: Reputation and CR9 Health & Safety) and Remembrancers (including update on CR10: Adverse Political Developments)	4 th Nov 2014
Barbican, GSMD and Markets & Consumer Protection	8 th Dec 2014
City Surveyors, Open Spaces (including Revised Risk CR11: Pond Failures) and Culture, Heritage & Libraries	24 th Feb 2015
Comptroller & City Solicitor, Built Environment and Mansion House	28 th Apr 2015
Communities & Children Services (including update on CR17: Safeguarding), City of London Boys School, City of London Girls School and Freemans School	2 nd Jun 2015

Conclusion

12. The Corporate Risk Register continues to be actively reviewed and updated by risk owners in line with the requirements stipulated by the new Risk Management Strategy. Work is continuing to further enhance the effectiveness of managing and reporting risks throughout the organisation.

Appendices:

- **APPENDIX 1** Corporate Risk Register
- **APPENDIX 2** Department risk review sessions

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