

Committee(s):	Date(s):
Audit and Risk Management Committee	28 April 2015
Subject: Risk Management Update	Public
Report of: Chamberlain	For Information
Summary	
<p>This report presents an update on the Corporate risk register and progress on the implementing the Covalent Risk Management Information System.</p> <p>All Corporate risks have been reviewed by Chief Officers in accordance with the established risk review procedure.</p> <p>The Corporate risk register contains ten risks. One of these risks has changed in risk score (CR14 reduced) since the last risk update to the Committee on 24 February 2015. No new risks have been identified for escalation on to the Corporate risk register.</p> <p>Departments have commenced recording their corporate (and top departmental risks) on to the Covalent Risk Management Information System and are all now using the 4 x 4 risk scoring matrix. The attached Corporate risk register summary report, <u>showing risks in current score order</u>, has been generated using this risk system.</p>	
Recommendations	
Members are asked to:	
<ul style="list-style-type: none"> • Review the Corporate risk register (see para 4 and appendix 1) • Note that the Chief Officer Risk Management Group (CORMG) will be undertaking a “root and branch” review of the existing Corporate risks in June 2015 • Note that the Covalent Risk Management Information System is now operational. 	

Main Report

Background

1. The Corporate risk register was last reviewed by the Summit Group on the 13 April 2015 and the Audit and Risk Management Committee on 24 February 2015.
2. In accordance with the established risk framework, each risk has been reviewed (and where appropriate risk descriptions revised) by the responsible risk owner.

3. A Corporate risk register summary report is attached as appendix 1 providing details on each risk, a brief update and where appropriate a target risk date (see para 11.1). (Note: Target date is the date by when the target risk score should be achieved).

Corporate Risk updates

4. There are ten corporate risks of which one is red and nine are amber. The table below shows the ten corporate risks in current risk score order.

Risk no	Risk title	Score	Risk
CR10	Hampstead Heath Ponds	16	Red
CR08	Reputational risk	12	Amber
CR09	Health and Safety Risk	12	Amber
CR14	Funding Reduction	12	Amber
CR17	Safeguarding	8	Amber
CR01	Resilience Risk	8	Amber
CR02	Supporting the Business City	8	Amber
CR10	Adverse Political Developments	8	Amber
CR16	Information Security	6	Amber
CR18	Workforce Planning	6	Amber

5. One risk has changed in risk score since the February 2015. A brief update is set out below:

5.1 CR14 (Funding reduction) – The risk score has decreased from red 16 to amber 12. The financial strategy already addresses this risk for City Fund. Following the service based review and inclusion of these savings in budget estimates, the City Fund (non-Police) remains in balance or close to breakeven across the period. Savings begin to be reflected in the budget for 2015/16, approved by the Court, with full impact by end of 2017/18. There are risks around the implementation of the saving proposals and the achievement of savings will be monitored by the Efficiency and Performance Sub Committee on a regular basis. As savings proposals are implemented, this risk will ultimately reduce further to GREEN. For City Fund (Police), deficits are forecast across the period with draw down of reserves. The Commissioner is currently drawing up saving proposals that will be available before the summer recess.

6. The new Chief Officer Risk Management Group (CORMG) will be taking a “root and branch” review of the existing Corporate risks, at its first face to face meeting, in June 2015. It will also seek to provide the Audit and Risk Management Committee with an assessment of the effectiveness of the mitigation actions being taken to manage Corporate risks.

Top Departmental Red Risk register

7. As part of the 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 consequence all departmental red risks have been included in a top departmental red risk register.
8. There are eleven Top departmental red risks on this register (April 2015) compared with nine reported to the Summit Group in January 2015.
9. The risk concerning air quality (Risk no MCP-EH001 – formerly MCP6) in which members of the Audit and Risk Management Committee have shown particular interest, will be reviewed by the Chief Officer Risk Management Group (CORMG) in June 2015.

Covalent Risk Management Information System

10. This system is now operational. Departments have added their corporate and top departmental red risks on to the system. Other lower level rated business risks are being added over the next few weeks.
11. The Group are asked to note that:
 - 11.1 Corporate risks - target risk dates. Five Corporate risks have identified target risk dates (i.e. the date by when the target risk score should be achieved). The remaining five corporate risks have the same current and target score indicating that it is unlikely that they can be reduced any further. No target dates have been set for these risks.

Conclusion

12. The Corporate risk register continues to be actively reviewed and updated by risk owners in line with the requirements stipulated by the 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 Summary

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