

Committee:	Date:
Audit and Risk Management Committee	2 June 2015
Subject: Corporate Risk Register Review	Public
Report of: Chamberlain	For Decision

Summary

This report presents the Audit and Risk Management Committee with the outcome of the corporate risk register review undertaken by the newly established Chief Office Risk Management Group (CORMG) on 12 May 2015.

Summit Group met on 18 May 2015 and received and approved the recommendations of CORMG in relation to the ten corporate risks. These were that seven risks be retained on the corporate risk register; two risks should be de-escalated to departmental risk registers and one risk to be removed from the corporate risk register.

CORMG agreed to meet again on 25 June 2015 to identify any new corporate risks to be recommended to the Summit Group. The Audit and Risk Management Committee would be notified, of any changes to the corporate risk register, in the next scheduled risk update report on 17 September 2015.

Recommendations

Members are asked to:

- The changes and amendments in respect of the ten corporate risks as outlined in para 3.2 below.
- That CORMG will undertake a corporate risk identification session on 25 June 2015 with a view to recommending any new corporate risks to the Summit Group. Any changes to the corporate risk register, as a result of this review, would be reported to the Committee in the next scheduled risk update report on 17 September 2015.
- Suggest any areas of risk that the CORMG may wish to consider in their next risk review session to be held on the 25 June 2015.

Main Report

1.0 Background

- 1.1 The corporate risk register contains ten corporate risks. Although risk scores for some of these risks have changed, no new risks have been added to this register for at least 12 months. Given the static nature of the register, the Chamberlain reported to the Audit and Risk Management Committee, at its meeting on 28 April 2015, that a root and branch review of the corporate risk register would be undertaken by the newly established Chief Officer Risk Management Group (CORMG) on 12 May 2015.

- 1.2 The corporate risk register review, undertaken by CORMG on 12 May 2015, focused on confirming of the corporate status of the existing ten corporate risks.
- 1.3 Summit Group received and approved CORMG's recommendations for changes and amendments to the corporate risk register. These are outlined in brief (para 3.2) and in more detail in appendix 2.
- 1.4 CORMG agreed to meet again on the 25 June 2015 to identify whether there were any new corporate risks that should be recommended to the Summit Group.

2.0 **Determination of corporate risk status**

- 2.1 In reviewing the existing ten corporate risks, CORMG referred to the definition within the Corporate Risk Management strategy (May 2014) which states that:

Strategic or Operational risks reported to the Audit and Risk Management Committee for assurance purposes.

One or more of the following criteria must apply:

- The risk relates directly to one or more of the Strategic Aims or Key Policy Priorities.
 - A risk that has significant impact on multiple operations if realised.
 - There are concerns over the adequacy of departmental arrangements for managing a specific risk.
- 2.2 In addition the Corporate Risk Advisor produced further guidance in the form of a test which is attached as appendix 1. The test comprises of 5 questions and one challenge and primarily focuses on whether a risk would have a significant impact on a range of areas such as its Key Policy Priorities. The word significant may describe, for example where there is service disruption greater than 4 weeks, there has been a financial loss up to 35% of budget, loss of life, national publicity or failure to achieve a major corporate objective.

3.0 **Application of the test to existing Corporate risks**

- 3.1 Following a robust challenge of the existing ten corporate risks, CORMG have recommended to the Summit Group that seven risks be retained on the corporate risk register, two risks should be de-escalated to departmental risk registers and one risk to be removed from the corporate risk register. Summit Group approved these recommendations at its meeting on 18 May 2015.

Of the seven risks to be retained on the corporate risk register, three were anticipated to be de-escalated to departmental risk registers, subject to additional work being completed (and considered effective), within a 12 month period.

3.2 Table 1. Corporate risks with a recommendation beside each risk.

Risk no	Risk title	Risk rating	Headline Recommendation
CR11	Hampstead Heath Ponds	Red	Retain on register
CR08	Reputational risk	Amber	<u>Remove</u> from register
CR09	Health and Safety Risk	Amber	Retain on register
CR14	Funding Reduction	Amber	<u>De-escalate</u> to departmental level
CR01	Resilience Risk	Amber	Retain on register and review corporate status in May 2016.
CR02	Supporting the Business City	Amber	Retain and provide clearer risk description and actions.
CR10	Adverse Political Developments	Amber	Retain and rephrase risk to provide a clearer risk description
CR17	Safeguarding	Amber	Retain and review corporate status in March 2016.
CR16	Information Security	Amber	Retain and rephrase risk to include IT resilience and cyber risk. Review corporate risk status in November 2015.
CR18	Workforce Planning	Amber	<u>De-escalate</u> to departmental level.

Conclusion

The corporate risk register was subject to a robust challenge by CORMG on 12 May 2015. There will be further work done to identify any new risks that should be recommended to Summit Group and Chief Officer Group (COG) for inclusion in the corporate risk register. CORMG provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate risks are appropriate and being actively managed.

Appendices:

- **APPENDIX 1** Corporate Risk test
- **APPENDIX 2** Corporate risk register with recommendations for each corporate risk

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