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| Committee: | Date: |
| Housing Management and Almshouses Sub Committee | 14 July 2015 |
| Subject: The City of London Almshouses - Risk Register 2015 | Public |
| Report of: Director of Community & Children's Services and Chamberlain | For Decision |
| Summary | |
| <ol style="list-style-type: none"> 1. This report provides a key risks register for The City of London Almshouses charity, which is attached at Annex B, for your review. 2. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), Trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks. 3. Charities SORP requires that the registers are reviewed annually to ensure that existing risks are reconsidered and any new risks are identified. | |
| Review of Risks | |
| <ol style="list-style-type: none"> 4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The section of the Strategy which explains how risks are assessed and scored is reproduced at Annex A of this report. 5. Each risk in the register has been considered by the responsible officer within the Corporation who is referred to as the 'Risk Owner'. | |
| Conclusions | |
| <ol style="list-style-type: none"> 6. The various risks faced by the charity have been reviewed and Members are asked to confirm that the attached register satisfactorily sets out the key risks together with their potential impact and that appropriate measures are in place to mitigate the risks identified. | |
| Recommendations | |
| <ol style="list-style-type: none"> 7. It is recommended that the register is reviewed to confirm that: <ul style="list-style-type: none"> • it satisfactorily sets out the risks faced by the charity; and • appropriate measures are in place to mitigate those risks. | |

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City of London Risk Management Strategy

Assessing Risks

Every risk should be assessed to help determine how much attention is given to the particular event. This is done by ranking the risks with a set of scores determined by their individual likelihood and impact rating.

The City of London Corporation uses a 4 point scale and the multiple of the likelihood and impact gives us the risk score, which is used to determine the risk profile. See the 'Risk Scoring' section below on how risks should be scored.

The following chart shows the area the risk will fall in to dependant on its score, with red being the most severe and green being the least. The scores within the chart are multiples of the likelihood and impact.

e.g. (Likelihood of) **4** x (Impact of) **4** = (Risk Score of) **16**

Impact scores increase by a factor of 2, thus having greater weighting in comparison to the Likelihood scores.

| | | Impact | | | |
|------------|-----------------|--------------|----------------|--------------|----------------|
| | | Minor (1) | Serious (2) | Major (4) | Extreme (8) |
| Likelihood | Likely (4) | 4 | 8 | 16 | 32 |
| | Possible (3) | 3 | 6 | 12 | 24 |
| | Unlikely (2) | 2 | 4 | 8 | 16 |
| | Rare (1) | 1 | 2 | 4 | 8 |

COL risk matrix

What the colours mean (as a guide):

- Red (dark grey) - Urgent action required to reduce rating
- Amber (light grey) - Action required to maintain or reduce rating
- Green (mid grey) - Action required to maintain rating.

Risk scoring

Risk scoring is purely subjective. Perceptions of a risk will vary amongst individuals and hence it is better to score the risk collectively than leave it to one person's judgement.

Definitions

1. **Original/Gross score:** the level of risk perceived before any mitigating actions/controls have been put in place.
2. **Current/Net score:** the level of risk currently perceived by the user/management, taking in-to account any controls.
3. **Target score:** the preferable score for the risk to be in order for it to be manageable, thinking in term of what resources are available, and the ability of the Corporation to directly manage the risk once external factors are considered.

Risk scoring method

Risks are scored in terms of likelihood and impact

→ Risk should be scored by first determining how likely it is to occur (**Likelihood**)

→ It should then be rated according to the worst case scenario if it should arise (**Impact**).

Likelihood scoring guide

The criterion below is not exhaustive and intended to be used as a guide. **You will need to come to a management consensus when scoring risks.**

| | Rare | Unlikely | Possible | Likely |
|-------------|---|---|---|--|
| | 1 | 2 | 3 | 4 |
| Criteria | Less than 10% | 10 – 40% | 40 – 75% | More than 75% |
| Probability | Has happened rarely/never before | Unlikely to occur | Fairly likely to occur | More likely to occur than not |
| Time period | Unlikely to occur in a 10 year period | Likely to occur within a 10 year period | Likely to occur once within a one year period | Likely to occur once within three months |
| Numerical | Less than one chance in a hundred thousand (<10 ⁻⁵) | Less than one chance in ten thousand (<10 ⁻⁴) | Less than one chance in a thousand (<10 ⁻³) | Less than one chance in a hundred (<10 ⁻²) |

Impact scoring guide

The criterion below is not exhaustive and intended to be used as a guide. **You will need to come to a management consensus when scoring risks.**

| | | Minor | Serious | Major | Extreme |
|----------------|--------------------------------|--|---|---|---|
| | | 1 | 2 | 4 | 8 |
| THREATS | Service Delivery / Performance | Minor impact on service, typically up to 1 Day | Service Disruption 2-5 Days | Service Disruption > 1 week to 4 weeks | Service Disruption > 4 weeks |
| | Financial | Financial loss up to 5% of Budget | Financial loss up to 10% of Budget | Financial loss up to 20% of Budget | Financial loss up to 35% of Budget |
| | Reputation | Isolated service user/stakeholder complaints contained within business unit/division | Adverse local media coverage/multiple service user/stakeholder complaints | Adverse national media coverage 1-3 days | National publicity more than 3 days. Possible resignation of leading Member or Chief Officer. |
| | Legal / Statutory | Litigation claim or fine less than £5,000 | Litigation claim or fine between £5,000 and £50,000 | Litigation claim or fine between £50,000 and £500,000 | Multiple civil or criminal suits. Litigation claim or fine in excess of £500,000 |
| | Safety / Health | Minor incident including injury to one or more individuals | Significant Injury or illness causing short term disability to one or more person | Major injury or illness/disease causing long term disability to one or more person. | Fatality or life threatening illness / disease (e.g. Mesothelioma) to one or more persons |
| | Objectives | Failure to achieve Team plan objectives | Failure to achieve one or more service plan objective | Failure to achieve a Strategic plan objective | Failure to achieve a major corporate objective |