

Committee:	Date:
Audit and Risk Management	3 rd November 2015
Subject: Corporate Risk Register Review	Public
Report of: Chamberlain	For Decision

Summary

This report provides Members with details of two new risks, MCP – Air Quality and DBE Road Safety which were considered by the Summit Group at their meeting on 22 October 2015 and subsequently provisionally accepted on to the corporate risk register.

It also contains details of the existing nine corporate and 12 top departmental red risks (as at 21 September 2015) and a brief update on the member development session on Risk Management, which was held on 1 October 2015.

Recommendations

Members are asked to:

- 1) Confirm the inclusion of the following new two risks on to the corporate risk register (which will increase the total number of corporate risks to 11):
 - MCP – Air quality
 - DBE – Road Safety
- 2) Note that there are no substantive changes to the existing nine corporate risks since the last risk update to Audit and Risk Management Committee in September 2015.

1.0 Background

- 1.1 The corporate risk register was most recently reviewed by the Chief Officer Risk Management Group (CORMG) on 30 September 2015 and the Summit Group on the 22 October 2015. The Audit and Risk Management Committee last reviewed the corporate risk register on 17 September 2015.
- 1.2 In accordance with the established risk framework, each risk has been reviewed (and where appropriate risk descriptions revised) by the responsible risk owner.
- 1.3 The corporate risk register is attached as appendix 1 and the top red departmental risk register as appendix 2. Both risk registers provide details of each risk, a brief update, where appropriate a target risk date and mitigations. (Note: Target date is the date by when the target risk score should be achieved).

2.0 Corporate risk register

- 2.1 Subject to confirmation by the Audit and Risk Management Committee of the two new risks (see para 2.4 below), there will be a total of 11 corporate risks. It should be noted that the risk title for CR02 has been amended from “Supporting the Business City” to “Loss of Business Support for the City”.
- 2.2 The Audit and Risk Management Committee (17 September 2015) noted that *“that there had been little significant movement on the risk levels since the last review, although there was an improving trend and officers would be concentrating on getting a sharper focus on the information provided to Members”*. CORMG considered this issue on 30 September 2015, and asked for the Reporting of Risk Information to Committees guidance to be revised ensuring that detailed risk information (including the mitigations) was in future reported to Committees. This work is now underway.
- 2.3 Table 1 below – List of corporate risks as at 21 September 2015 (Risk score order)

Risk no	Risk title	Risk rating	Risk score
CR11	Hampstead Heath Ponds	Red	16
CR 19	IT Service Provision – Police and Corporation IT Service	Red	16
CR09	Health and Safety Risk	Amber	12
CR01	Resilience Risk	Amber	8
CR02	Loss of Business Support for the City	Amber	8
CR10	Adverse Political Developments	Amber	8
CR17	Safeguarding	Amber	8
CR14	Funding Reduction	Amber	6
CR16	Information Security	Amber	4

Two new corporate risks

- 2.4 CORMG (30 September 2015) recommended two new risks to the Summit Group (22 October 2015), for inclusion on to the corporate risk register. A third risk was considered for recommendation to the Summit Group, CHB Contract Management. It was agreed that this risk required further work pending the outcome of the FM/Contract Management Cross Cutting Reviews. The Summit Group provisionally accepted these two new risks on to the corporate risk register.
- a) **DBE Road Safety**. This risk was originally considered by Summit Group on 13 July 2015 which requested that the risk wording be reviewed. This has resulted in a new risk being drafted and this is set out below in the cause, event, effect format:

Cause: Limited space on the City’s medieval road network to cope with the increased use of the highway by vehicles and pedestrians / cyclists within the City of London. Interventions & legal processes take time to deliver.

Event: The number of casualties occurring in the City rises instead of reducing.

Effect: City's reputation and credibility is adversely impacted with businesses and/or the public considering that the Corporation is not taking sufficient action to protect vulnerable road users; adverse coverage on national and local media.

- b) **MCP Air Quality.** This risk has previously been discussed at both Summit Group and the Audit and Risk Management Committee. It was suggested by the Committee that the risk should focus on the health impacts of poor air quality as opposed to the possible fine from the EU to the UK for exceeding air quality limits. Essentially a new risk has been drafted and is set out below in the cause, event and effect format.

Cause: Small particulate pollution has chronic health impacts from long term exposure at very low concentrations and is in evidence within the City and central London. There is also a health impact associated with long term and short term exposure to nitrogen dioxide.

Event: Under certain atmospheric conditions there is a higher probability of poor air quality within the City and it is more likely that residents, workers and visitors would suffer the acute consequences.

Effect: The consequences, both acute and chronic, may include:

- an increase in hospital referrals placed upon both emergency services and the NHS for those already suffering from respiratory or cardiovascular conditions. (It may also place a strain on City social services).
- an increase in deaths, particularly of those already suffering from respiratory or cardiovascular conditions (both residents and workers)
- Economic costs such as acting as a deterrent of businesses coming to London or staying and financial penalties for non-compliance with air quality limits.
- Persistent poor air quality may affect the longer term health of the City population.

Appendix 3 contains further details of both risks. If confirmed as corporate risks, by the Audit and Risk Management Committee, they will be entered on to the Covalent Risk Management Information System.

Top departmental red risks

- 2.5 There are currently 12 top departmental red risks. CORMG reviewed these risks. One risk, no GSMD EF 001 (Failure to Secure Lease Renewal of Sundial Court in 2020), required the target date to be amended from 5 April 2016 to 5 April 2017. The top red departmental risk register is attached as appendix 2.

3.0 Member development session – Risk Management

3.1 A one hour member development session on Risk Management was held on 1 October 2015 with a total of seven members attending. The session focused on the Corporation’s Risk Management strategy and the role of members when reviewing risk reports to Grand Committees. Overall the session received positive feedback from those members present as well as eliciting a number of suggestions for improvements in communicating risk information to members and embedding Risk Management further within the Corporation.

4.0 Conclusion

4.1 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. 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 register as at 21 September 2015

APPENDIX 2 - Top Red departmental risk register as at 21 September 2015

APPENDIX 3 - Two new corporate risks (accepted by Summit Group on 22 October 2015)

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