Committee:	Date:
Finance Committee – For Information	18 October 2016
Subject: Chamberlain's Department Risk Management – Quarterly Report	**Public**
Report of: Chamberlain	**For Information**
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Summary

This report has been produced to provide Finance Committee with an update on the management of risks faced by the Chamberlain's department.

Risk is reviewed regularly by the departmental Senior Leadership Team as part of the ongoing management of the operations of the Chamberlain's department. In addition to the flexibility for emerging risks to be raised as they are identified, a process exists for in-depth periodic review of the risk register.

The Chamberlain's department currently has three corporate risks and four risks on the departmental risk register. The most significant risks are:

- **CR19 – IT Service Provision (**Current Status: **RED)**
- **CR16 – Information Security (**Current Status: **AMBER)**
- **CHB006 – IT Service Outage (**Current Status: **AMBER)**

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these IT related risks. Additional funding has been requested, set out in more detail in another report to this Committee, to support and strengthen the IT service.

Recommendation

Members are asked to note the report and the actions taken in the Chamberlain's department to monitor and manage risks arising from our operations.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Finance Committee has determined that it will receive the Chamberlain's risk register on a quarterly basis with update reports on RED rated risks at the intervening Committee meetings.

2. Chamberlain's risk management is a standing agenda item at the monthly Departmental Senior Leadership Team (SLT) meeting, over and above the suggested quarterly review. SLT receives the risk register for review, together

with a briefing note highlighting any changes since the previous review. Consideration is also given as to whether any emerging risks exist for inclusion in the risk register as part of Divisional updates on key issues from each of the Directors, ensuring that adequate consideration is given to operational risk.

3. Between each SLT meeting, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly.

Identification of new /emerging risks

4. New and emerging risks are identified through a number of channels::
   - directly by the Senior Leadership Team as part of the monthly review process
   - following monthly review of progress against actions/milestones identified in the departmental Business Plan
   - annual, fundamental review of the risk register, undertaken by the extended Senior Leadership team

Summary of Key Risks

5. The Chamberlain's department currently has three corporate risks and four risks on the departmental risk register, attached as Appendix 1 to this report, assessed as 1 RED risk, 5 AMBER risks and 1 GREEN risk. These are:

CR19 – IT Service Provision (Current Risk: Red – no change**)**
The primary focus of the team is on stabilisation, a more robust approach to managing change has been adopted, reducing the risk of service interruption. Team level approach to risk management is now aligned fully to the top level approach. IT Division is seeking additional budget to undertake more risk mitigation activity. The risk is expected to reduce to Amber by December 2017 followed by steady progress to Green in the following months.

CR16 – Information Security (Current Risk: Amber – no change**)**
Loss of personal or commercial information may result in major reputational damage to the City Corporation and possible sanction from the Information Commissioner. This risk includes the threat of a Cyber security attack, resulting in unauthorised access to City Corporation IT systems. While the Chief Information Officer is the risk owner, some mitigating controls are owned by Town Clerk's department. Chamberlain's department is responsible for managing the cyber security and technology aspects of this risk.

Mitigating actions have been successful in raising awareness of information security risk and in promoting accountability for safeguarding information held.

CR14 – Funding Reduction (Current Risk: Green – reduced**)**
Current modelling shows an improving budget position on City Fund due to business rates growth and increased rates retention from 2017/18 onwards. There is currently no perceived risk to the City of London Corporation over the short term from reduced government funding; it is anticipated that the focus of this risk will move more towards securing value for money and effective use of resources.

CHB002 – Oracle ERP Business Benefits (Current Risk: Amber – no change)
The upgrade to Oracle R12 and implementation of Oracle Property Manager secured organisational benefits through the consolidation of major systems; one billing system, one main property management system and the technology infrastructure to support this.

The Oracle Benefits Realisation project is nearing completion; recommendations have been made to the project Steering Group (comprising senior stakeholders), which will meet on 10th October to agree the implementation plan. The capacity of the Oracle Support and Development teams is limited, which restricts the pace at which system developments and enhancements can be delivered, because of this, the risk remains AMBER, although this is expected to reduce over the next 6 months.

CHB006 – IT Service Outage (Current Risk: Amber – no change)
This risk relates to the disruption to service delivery as a result of major information systems outage (eg network/technology infrastructure failure). Changes have been made to the core transformation programmes to ensure that we deploy complete solutions, although this will mean that some ageing infrastructure is in place longer than we would wish. IT Division has requested additional funding to help mitigate against the increased likelihood of failures. This will continue to be a focus until the transformation works deliver a more robust platform during 2017/18.

CHB008 – Resourcing (Current Risk: Amber – no change)
While there are a small number of specialist posts to be recruited to, the position is currently stable. A more dynamic corporate process for agreeing Market Forces Supplements will, in future, reduce delays in recruiting to key posts where salary negotiations are critical.

Some of the underlying issues remain and will be addressed within the 2016/17 refresh of the department's workforce plan, taking place in autumn, which will focus on improving succession planning and development of existing staff.

CHB011 – Corporate Contract management (Current Risk: Amber – reducing)
Approval has now been obtained for the creation of a Commercial Unit within City Procurement, this is a key milestone in mitigating this risk. A contract management toolkit is nearing completion, to be deployed across the organisation following consultation over autumn.

Conclusion

6. Members are asked to note the actions taken to manage these departmental and corporate risks in relation to the operations of the Chamberlain's Department and the overall reducing level of current risk.

Appendices
- Appendix 1 Chamberlain's Department Detailed Risk Register

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