

Committee(s)	Dated:
Audit and Risk Management Committee	8 November 2016
Subject: Risk Management Update	Public
Report of: Chamberlain	For Decision
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Summary

This report provides the Audit and Risk Management Committee with an update on the corporate and top red departmental risk registers following the review by the Chief Officer Risk Management Group (CORMG) on 27 September 2016 and Summit Group on 20 October 2016.

There are currently 11 corporate risks on the corporate risk register (no change in the number or the current risk score of corporate risks reported on 13 September 2016). The corporate risk **CR11** – Hampstead Heath Ponds will be, by the end of October 2016, removed from the corporate risk register. All corporate risks have been reviewed and updated where appropriate.

The total number of top red departmental risks is eight. One new risk has been added to this register since the last report on 13 September 2016 - **SUR SMT 004** Failure or inability to deliver savings required by Service Based Review

A total of 290 risks (as at 18 October 2016) have been identified by departments providing a wide range of risks that may affect service delivery. Departments have used the Corporation's Risk Management Strategy (May 2014) to ensure a consistent approach to the way risks are described and scored.

A new Covalent report has been developed to assist the Committee focus on the progress being made in managing both corporate and top red departmental risks.

Recommendations

- (a) The Committee is requested to note the changes to both the corporate and top red departmental risk registers.
- (b) Consider whether they wish to continue to receive the new reports (appendices 2 and 3) as well as the detailed corporate risk register.

1.0 Background

- 1.1 The corporate risk register was last reviewed by the CORMG on 27 September 2016 and by the Summit Group on 20 October 2016.
- 1.2 In accordance with the established risk framework, each risk has been reviewed and where appropriate, updated by the responsible risk owner and departmental

management teams.

- 1.3 A total of 290 wide ranging risks have been identified by departments comprising of 23 red, 155 amber and 112 green risks. This compares with total of 272 risks in June 2016 which included 24 red, 145 amber and 103 green risks. Departments have used the Corporation's Risk Management Strategy (May 2014) to ensure that there is a consistent approach to the way risks are described and scored.
- 1.4 Of the 290 total risks, there are 11 corporate and eight top red departmental risks. There are another 83 amber and 54 green risks recorded at departmental level. The remaining 134 risks are at service/team levels.
- 1.5 Departments have used the Corporation's Risk Management Strategy (May 2014) to ensure that there is a consistent approach to the way risks are described and scored. Attached as appendix 1 is the corporate risk matrix which illustrates the likelihood and impact ratings as well as the definitions for red, amber and green risks.
- 1.6 In order to spotlight the progress being taken by departments to manage corporate and top red departmental risks, a new report has been devised – risks and actions progress report. The report gives a % figure for how much of an action has been completed as well as the expected date by when an action should be completed (due date). Separate risk and actions progress reports have been produced for both corporate and top red departmental risks. Both these reports are attached as appendix 2 and 3 respectively. Attached as appendix 4 is the detailed corporate risk register and appendix 5 the corporate risk assessment history report.
- 1.7 The Committee may wish to consider whether they wish to continue to receive the new reports (appendices 2 and 3) as well as the detailed corporate risk register.

2.0 **Corporate risk register**

- 2.1 There are currently 11 corporate risks (four red risks and seven amber risks) with no change in the number or current risk score of these corporate risks. However there is a potential current risk score change (see 2.2. below) as well as one risk being de-escalated to departmental level (see 2.3 below).
- 2.2 There is a potential change in risk score for **CR 02 Loss of Business Support** for the City. The Director of Economic Development has indicated, in the latest risk update, that the risk assessment/scoring are currently under review whilst the implications of the post-Brexit global political environment are assessed. This may result in an increased risk scoring. A deep dive report on this risk is to be submitted to the Audit and Risk Management Committee on 8 November 2016.
- 2.3 The corporate risk **CR 11 Hampstead Heath Ponds** is nearing completion (end of October 2016). The Director of Open Spaces has reported that, subject to satisfactory completion of the project and associated actions, it is anticipated that this risk will then be removed from the corporate risk register. The risk has been included in the current corporate risk register but by the time of the Committee meeting it is anticipated that it will have been de-escalated to departmental level. The Director of Open Spaces, who is attending for the informal risk challenge session prior to the Committee meeting, will be addressing the status of this risk in her report.

Table 1 below – List of current corporate risks as at 18 October 2016 (Risk score order)

Risk no	Risk title	Risk rating	Current Risk score	Risk score change
CR11	Hampstead Heath Ponds	Red	16	↔
CR 19	IT Service Provision	Red	16	↔
CR20	Road Safety	Red	16	↔
CR21	Air Quality	Red	16	↔
CR09	Health and Safety Risk	Amber	12	↔
CR01	Resilience Risk	Amber	12	↔
CR16	Information Security	Amber	12	↔
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	↔

3.0 New and potential corporate risks

- 3.1 The Town Clerk requested CORMG to consider a new corporate risk on fire safety at the Barbican Centre. CORMG agreed that, having received a report from the Head of Health, Safety & Wellbeing, and the risk should be placed on the corporate risk register as a red risk. A risk has been drafted and is being developed with the Barbican Centre management. Once wording is agreed this risk will be included on the corporate risk register. However it should be noted that a number of immediate actions have been agreed to be taken to address the concerns at the Barbican Centre.
- 3.2 CORMG, at its next meeting on 22 November 2016 will be considering potential new corporate risks on multi academy trusts and organisational change.

4.0 Top departmental red risks

- 4.1 There are currently eight top departmental red risks. There has been one new risk added since the 13 September 2016 report which is **SUR SMT 004** Failure or inability to deliver savings required by Service Based Review. This risk is scored a red (16).
- 4.2 The highest top red risk is **DCCS PE 002** - Failure to deliver expansion of Sir John Cass Foundation Primary School to two form entry in September 2017, which has a risk score of 24. DCCS report that discussions with Sir John Cass's Foundation Board are continuing.

EU Referendum

4.3 The UK, following a referendum on 23 June 2016, voted to leave the European Union. It is too early to determine how this decision will affect the UK economy in the medium to long term although in the immediate aftermath of the decision there has been some volatility in the currency and financial markets.

5.0 Conclusion

5.1 The corporate risk register was reviewed by CORMG on the 27 September 2016 and the Summit Group on 20 October 2016. The CORMG provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate and the top red departmental risks are appropriate and being actively managed.

Appendices:

APPENDIX 1 – Corporate Risk Matrix

APPENDIX 2 – Corporate risk and actions progress

APPENDIX 3 – Top Red departmental risk and actions progress

APPENDIX 4 – Corporate risk register

APPENDIX 5 – Corporate risk historical risk asses status

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