

Committee(s)	Dated:
Finance Committee – For Information	25/07/2017
Subject: Chamberlain's Risk Management – Quarterly Update	Public
Report of: Chamberlain	For Information
Report author: Hayley Hajduczek, Chamberlain's Department	

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 six 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. Delivery of the refreshed IT Strategy over the next 12-18 months will support and strengthen the IT service.

Recommendation(s)

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 there are any emerging risks for inclusion in the risk register within 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

Summary of Key Risks

5. The Chamberlain's department currently has three corporate risks and six risks on the departmental risk register, attached as Appendix 1 to this report, assessed as 2 RED risks, 6 AMBER risks and 1 GREEN risk. These are:

CR19 – IT Service Provision (Current Risk: Red – no change)

The Procurement of the Local Area Network hardware is underway. The IT team will award the contract on the basis of LAN design, build and support in July. Remedial works continues to improve service availability before new solution is introduced.

CR16 – Information Security (Current Risk: Red – Increasing)

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 Director of Information Security 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.

An assessment has highlighted specific priority areas. These are:

- managing user privilege
- remote access
- User education and awareness.

A privilege access management solution will be deployed throughout June and July. Reconfiguration of remote access solutions is underway and the HR training lead is working with Chief Information Security Officer on a user education and awareness campaign with a view to launch in July.

CR23 – Police Funding (Current Risk: Amber – no change)

The Deloitte review into Police value for money and efficiency has been completed and a workshop will be held on 20 July to discuss the report. An action plan will then be agreed during the Autumn.

CHB012 – Value for Money (Current Risk: Amber – no change)

A detailed post-Service Based Review Efficiency Plan is currently being implemented, including a framework that will incorporate continuous improvement savings and a rolling review programme to secure more radical changes in efficiency and effectiveness.

A Chief Officer Peer Review process is exploring how Chief Officers can improve innovation, collaboration, and agility. These sessions will help them develop their business plans to make efficiency savings or generate income to help meet the requirements of the efficiency Plan and accommodate continuous budget reductions for 3 years starting from 2018/19. The review should also assist in achieving better alignment of activities to the outcomes in the corporate business plan, including cross departmental working on the 'big issues' for the Corporation and London e.g. air quality.

CHB002 – Oracle ERP Business Benefits (Current Risk: Amber – reducing)

The implementation of Oracle reporting is nearing completion; the continued development is within business as usual activity and is resourced accordingly. The main Oracle implementation objectives have been achieved and therefore the risk will now be closed.

A new risk is being drafted regarding the provision of Management Information.

CHB006 – IT Service Outage (Current Risk: Amber – no change)

Due to the change to the core transformation programmes, some ageing infrastructure will be in place longer than we would wish. This is necessary to ensure we deploy complete solutions. The IT Division has been granted additional funding to help mitigate the increased likelihood of failures. This will continue to be a focus until the transformation works to deliver a more robust platform during 2017/18 are complete. The power provision in the West Wing Computer Equipment Room has been updated with added resilience provided by an Uninterruptible Power Supply and new backup generator, reducing the likelihood of a power failure in the West Wing.

CHB008 – Resourcing (Current Risk: Green – reducing)

This risk has now reached the target level with specialist posts within the department being filled.

As a result this risk will be removed from the register on the understanding that it will be reinstated should the situation change in the future.

CHB011 – Corporate Contract management (Current Risk: Amber – reducing)

The new contract management corporate performance scorecard was approved at Summit Group and EPSC in May. Consultation on the supporting framework and toolkit took place during June and will be launched in July 2017.

CHB014 – Loss of ESF Funding for Central London Forward CESI Program (Current Risk: Amber – no change)

The City Procurement Compliance team has undertaken an internal review and the Commercial Director has since written to the GLA to challenge their decision. The GLA are reviewing the position and will report back with their findings.

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
- Appendix 2 COL Risk Matrix – Committee version

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk

Hayley Hajduczek

Chamberlain's Department

T: 020 7332 1033

E: hayley.hajduczek@cityoflondon.gov.uk