Committee(s)	Dated: 10 October 2017
Audit and Risk Management Committee	
Subject: Risk Management Update	Public
Report of: Dr Peter Kane, Chamberlain	For Decision
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Summary

This report provides the 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 4 July 2017 and Summit Group on 27 July 2017.

There are currently 12 corporate risks (11 in May 2017) of which are five are rated as red and seven as amber risks. All corporate risks have been reviewed and updated where appropriate.

There were two notable changes to the corporate risk register since May 2017:

- **CR20** Road Safety, moved from a risk score of red 16 to amber 12 (completed works at Bank Junction).
- A new corporate risk **CR 24 Operational security** has been added to the register following approval by the Summit Group at their meeting on 27 July 2017. The Committee is asked to confirm the inclusion of this risk on the corporate risk register.

The total number of top departmental red risks is now 11 (10 in May 2017). There has been some significant movement within the register with four risks being removed and five new risks added since the May 2017.

A total of 335 risks (310 as at May 2017) 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.

Recommendations

The Committee is asked to:

1. confirm the addition of **CR24** Operational Security on to the corporate risk register.
2. Note the other changes to both the corporate and top red departmental risk registers outlined in the report.

Main Report

1.0   Background

1.1   The corporate risk register was last reviewed by the CORMG on 4 July 2017 and the Summit Group on 27 July 2017.

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 335 wide ranging risks have been identified by departments comprising of 29 red, 179 amber and 127 green risks. This compares with total of the 310 risks in May 2017 which included 28 red, 163 amber and 119 green risks.

1.4   Of the 335 total risks, there are 12 corporate, and 11 top red departmental level risks. There are another 73 amber and 52 green risks recorded at departmental level. The remaining 187 are recorded as either service or team level risks.

1.5   Departments have used the City 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.

2.0   Corporate risk register

2.1   There are currently 12 corporate risks (five red and seven amber risks). There have been two notable changes since May 2017:

- **CR 20 Road Safety** moved from a risk score of red 16 to an amber 12 following the completion on the Bank Junction works.

- The Summit Group approved a new corporate risk - **CR 24 Operational Security** (Town Clerks) and scored as a red 24. The risk description is set out below. Full details of this risk can be found in appendix 3:

  Cause: Inadequate, poorly maintained or time expired security infrastructure; lack of security culture within the organisation; poor training or organisation of staff; insufficient staff.

  Event: Security of an operational property is breached.

  Effect: Unauthorised access to building by criminals/protestors/terrorists; disruption of business/ high profile events; reputational damage; injury or potential loss of life amongst staff or members of the general public.

A copy of the corporate risk register is attached as appendix 2.

Table 1 below – List of current corporate risks as at 5 September 2017 (Risk score order)

Risk no	Risk title	Risk rating	Current Risk score	Risk score change
CR24	Operational Security	Red	24	New
CR19	IT Service Provision	Red	16	⬌
CR16	Information Security	Red	16	⬌
CR21	Air Quality	Red	16	⬌
CR22	Barbican fire safety risk	Red	16	⬌
CR09	Health and Safety Risk	Amber	12	⬌
CR01	Resilience Risk	Amber	12	⬌
CR20	Road Safety	Amber	12	⬇
CR23	Police Funding	Amber	12	⬌
CR02	Loss of Business Support for the City	Amber	8	⬌
CR10	Adverse Political Developments	Amber	8	⬌
CR17	Safeguarding	Amber	8	⬌

4.0 **Top departmental red risks**

4.1 There are currently 11 top departmental red risks (10 in May 2017). The following changes have been made to the top red departmental risk register (see appendix 3 for the top red detailed risk register):

Risks removed:
- **DCCS PE 002** – Expansion of Sir John Cass Primary School (see 4.2 below)
- **DCCS HS 003 –** Lone working
- **SUR SMT 004** – Inability to deliver savings required by Service Based Review
- **TC CCC 002** – Security breach at Central Criminal Court

New risks:
- **BBC H&S 012** - Basquiat Exhibition (see 4.3 below)
- **BBC H&S 002 -** Failure to deal with Emergency /Major Incident or Risk of Terrorism
- **CLF 012** – Master Plan 2016
- **SUR CBT 006** - City Bridges: Bridge House Estates - Wanton Damage / Terrorism
- **SUR CB 007** – City Bridges: Bridge House Estates - Tunnelling for the Thames Tideway Tunnel

4.2 The highest top red departmental risk was **DCCS PE 002.** However the number of pupil applications for Sir John Cass Foundation Primary School for 2017/18 has not been as high as anticipated. The governing body of the Sir John Cass's Foundation Primary School decided not to pursue expansion at the present time. The level of demand for places does not demonstrate the need for expansion. The school is presently financially viable as a one form

entry school. This risk has therefore been removed from the top red departmental risk register.

4.3   One of the new risks, **BBC H&S 002** – The Basquiat Exhibition was added on to this register on 30 June 2017 to reflect the importance and value of this exhibition. It has been scored as a red 24. An update on progress in mitigate this risk is included in appendix 3.

5.0   Responding to a major incident (CR 01 Resilience)

5.1   In the light of the recent two London based terrorist attacks and the Grenfell tower block fire tragedy in north Kensington, CORMG, at their meeting on 4 July 2017 invited Peter Lisley, Assistant Town Clerk, to discuss the City Corporation's emergency management arrangements, some of the immediate lessons from these events and how they might be incorporated into our own plans. These discussions were reported to Summit Group on 27 July 2017. CORMG will be reviewing progress on these lessons learnt at its next meeting on 19 September 2017.Members are asked to note that a deep dive report on the corporate risk CR01 Resilience was presented to the Audit and Risk Management Committee on 24 July 2017.

5.2   The Committee also received a report from the Director of Community and Children services on fire safety on City Corporation residential accommodation to the Audit and Risk Management Committee on 24 July 2017.

6.0   Conclusion

6.1   The corporate and top red departmental risk registers were reviewed by CORMG ,4 July 2017 and Summit Group on 27 July 2017. The CORMG provides additional assurance to the Summit Group, Chief Officer Group and the Audit and Risk Management Committee that corporate and top red departmental risks are appropriate and being actively managed.

Appendices:
APPENDIX 1 – Corporate Risk Matrix
APPENDIX 2 – Corporate risk register (detailed)
APPENDIX 3 – Top Red departmental risks (detailed).

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