

Committee(s)	Dated: 16 January 2018
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 23 November 2017 and Summit Group held on 29 November 2017. CORMG also reviewed both risk registers on 15 December 2017 and made a recommendation to the Summit Group to include a new corporate risk on to the corporate risk register. This has now been approved.

There are currently 12 corporate risks (12 in July 2017) included on the corporate risk register. These comprise of five red and seven amber risks. There have been two changes on the corporate risk register since October 2017. The **CR02 Loss of support for the Business City** risk has been re-rated from an amber 8 to an red 16 and **CR19 IT Service provision** risk re-rated from red (16) to an amber (12).

The Comptroller and City Solicitor indicated, when he presented his General Data Protection Risk (GDPR) progress report to the Committee meeting on 28 November 2017, that he was preparing a GDPR risk for consideration as a new corporate risk. A new corporate risk on the GDPR project (CR25) has now been approved by the Summit Group and is presented to the Committee for confirmation of its inclusion on to the corporate risk register.

The total number of top departmental red risks is 11 (11 in October 2017). Two top red departmental risks have been removed from this register since the last report in October 2017. These risks are the Barbican Basquiat exhibition risk, **BBC H&S 012**) and **CLF 012 - Master Plan**. Two new risks have been added to this register and these are **DCCS ED 001 – Failure to deliver City of London Academy Expansion Programme** and **CLF 008 – Breach of Regulations**.

A total of 317 risks (321 as at October 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 to ensure a consistent approach to the way risks are described and scored.

Recommendations

The Committee is asked to:

1. Confirm the addition of **CR25** GDPR project risk 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 and top red departmental risk registers were reviewed by Chief Officer Risk Management Group (CORMG) on 23 November 2017 and Summit Group held on 29 November 2017. CORMG also reviewed both risk registers on 15 December 2017 and made a recommendation to the Summit Group to include a new corporate risk on to the corporate risk register (see para 2.2 below).
- 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 317 wide ranging risks have been identified by departments comprising of 29 red, 174 amber and 114 green risks. This compares with total of the 321 risks in November 2017 which included 32 red, 175 amber and 114 green risks.
- 1.4 Of the 317 total risks, there are 12 corporate, and 11 top red departmental level risks. There are another 68 amber and 40 green risks recorded at departmental level. The remaining 186 are recorded as either service or team level risks.
- 1.5 Departments have used the City Corporation's Risk Management Strategy 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 (12 in July 2017) included on the corporate risk register. These comprise of five red and seven amber risks. There have been two changes on the corporate risk register since the October 2017.
 - **CR02 Loss of support for the Business City** (re-rated from an amber 8 to red 16). This recognises the probability that a post-Brexit trade deal between the UK and EU27 is unlikely to replicate the level of access firms have within the Single Market.
 - **CR19 IT Service provision** (re rated from red 16 to an amber 12). The re-rating is based upon the good progress being made to implement the mitigating actions.

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

New Corporate Risk

- 2.2 The Comptroller and City Solicitor indicated, when he presented his General Data Protection Regulations (GDPR) progress report to the Committee meeting on 28 November 2017, that he was preparing a GDPR risk for consideration as a new corporate risk. A new corporate risk on the GDPR project (CR25) has now been approved by the Summit Group and is presented to the Committee for confirmation on its inclusion on to the corporate risk register.

The risk is described as follows:

Cause: *Insufficient resources, inadequate corporate/departmental systems and procedures are established and tested which meet the additional requirements of GDPR legislation.*

Event: *CoL is unable to comply with GDPR requirements - poor, non-secure and non-compliant processing of personal data by the 25 May 2018 when GDPR is live.*

Effect: *CoL exposed to adverse publicity, reputational damage, financial penalties imposed by the Information Commissioners Office. Increased volume of Subject Access Requests.*

A copy of the full risk and actions is attached as appendix 3.

Table 1 below – List of current corporate risks as at 15 December 2017 (Risk score order)

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

3.0 Top departmental red risks

- 3.1 There are currently 11 top departmental red risks (11 in October 2017). The following changes have been made to the top red departmental risk register since October 2017. (See appendix 4):

Risks removed:

1. **BBC H&S 012** – Basquiat Exhibition. This risk has now been re-rated to an amber risk following the successful opening of this exhibition at the Barbican Centre.
2. **CLF 012 Masterplan 2016** - Masterplan 2016 and Main House projects are progressing through the City's Committee and Gateway processes. Risk is slightly reduced.

Risk added:

3. **CLF 08 Breach of Regulation** – This risk has recently been added to the register following a report of a possible problem with a Home Office Tier 4 visa (for a student) and subsequent checks that other students have the correct documentation. This may result in a Home office inspection and possible sanctions being applied to the school. (Risk score 24).
4. **DCCS ED 001 - Failure to deliver City of London Academy Expansion Programme.** Members are requested to note that this risk was increased in score (amber 12 to a red 24 in October 2017). This increase is due to the planning application for COLPAI to Islington committee report being delayed. The report did not go to the December 2017 planning committee, putting the school at risk of not being completed on time for September 2019. In addition, an Early Warning Notice has been issued for the Galleywall capital build programme due to concerns about the contractor providing information in a timely manner, and projected possible delays for completion of the build by September 2018.

In terms of COLPAI, it is proposed the planning application will be heard in January 2018, while in the interim the City is exploring what activities can be brought forward while seeking planning approval to keep the build completion date to September 2019.

In terms of Galleywall, an early warning notice has been issued, options on a way forward have been explored and presently DCCS is continuing to work with the contractor, and strengthening the project management input to get back on track. The contractor has provided a revised programme showing the build will be delivered on time but DCCS is being cautious to see how the contractor performs over the next two months to see if this revised programme will be realised. If so, again the level of risk will be reduced.

4.0 Conclusion

- 4.1 The corporate and top red departmental risk registers were reviewed by CORMG on 23 November 2017 and Summit Group held on 29 November 2017. CORMG also reviewed both risk registers on 15 December 2017. The CORMG provides additional assurance to the Summit Group, COG 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 - CR 25 General Data Protection Regulations project risk

APPENDIX 4 – Top Red departmental risks (detailed).

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