

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	17 July 2018
<b>Subject:</b> Risk Management Update	<b>Public</b>
<b>Report of:</b> Dr Peter Kane, Chamberlain	<b>For Information</b>
<b>Report author:</b> Paul Dudley, Chamberlain's department	

### 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 22 May 2018, Summit Group on 27 June 2018 and CORMG on 3 July 2018.

There are currently 12 corporate risks (13 in May 2018) included on the corporate risk register of which there are five red and seven amber risks.

Summit Group agreed at their meeting on 27 June 2018 to de-escalate CR25 GDPR based upon the progress being made to mitigate this risk. The Committee are requested to endorse this decision. This risk together with the actions will be managed at departmental level by the Comptroller and City Solicitor. GDPR will now also feature as part of CR16 information security risk.

Except for CR22 Barbican Centre fire safety risk, which has been reduced in score from a Red 16 to and amber 8 (its target score), there have been no other changes in score of the remaining risks.

The total number of top red departmental risks is seven (Nine in May 2018). Since the April 2018 report five risks have been removed and two new risks added to this register.

A total of 297 risks (310 as at May 2018) 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.

The outcome of corporate risk profiling exercise, undertaken by David Forster, Head of Risk, Zurich Municipal was reported to the Chief Officer Group on 14 June 2018. Further work has been identified to clarify any new risks to be included on the corporate risk register and whether some or all of these risks should be in the public domain.

## Recommendation

1. Endorse the decision of the Summit Group of the 27 June 2018 that the CR25 GDPR risk should be de-escalated to a departmental level risk and managed by the Comptroller and City Solicitor.
2. Note the risk report






## Main Report








### Background

- 1 The corporate risk register was last reviewed by the CORMG on 22 May 2018, Summit Group on 27 June 2018 and CORMG on 3 July 2018.
- 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.
- 3 A total of 297 wide ranging risks have been identified by departments comprising of 24 red, 174 amber and 99 green risks. This compares with total of 310 risks in May 2018 which included 28 red, 172 amber and 110 green risks.
- 4 Of the 297 total risks, there are 12 corporate, and seven top red departmental level risks. There are another 79 amber and 38 green risks recorded at departmental level. The remaining 161 are recorded as either service or team level risks.
- 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.

### Corporate risk register

- 6 There are currently 12 corporate risks (five red and seven amber risks). Corporate risk CR25 GDPR has been escalated to departmental level (Comptroller and City Solicitor) by Summit Group on 27 June 2018 (see paras 8 -11 below). There have been no new corporate risks added to this register since the last report. However, CR22 Barbican Centre fire risk has been reduced in score from a red 16 to an amber 8 and it is anticipated that will be de-escalated to the from the corporate risk register in July. A copy of the corporate risk register is attached as appendix 2.
- 7 Table 1 below – List of current corporate risks as at 29 June 2018 (ordered by corporate - strategic and operational categories as suggested following corporate risk profiling exercise)

Risk ref	Risk title	Status	Risk Score	Trend Icon	Strategic/ Operational
CR24	Operational Security	Red	24		S/O
CR02	Loss of Business Support for the City	Red	16		S
CR23	Police Funding	Red	16		S
CR10	Adverse Political Developments	Amber	8		S
CR16	Information Security (see para 15)	Red	16		O

CR21	Air Quality	Red	16		O
CR01	Resilience Risk	Amber	12		O
CR09	Health and Safety Risk	Amber	12		O
CR19	IT Service Provision (see para 15)	Amber	12		O
CR20	Road Safety	Amber	12		O
CR22	Barbican Centre Fire Risk	Amber	8		O
CR17	Safeguarding	Amber	8		O

### CR25 - GDPR

- 8 The GDPR project phase 1 was delivered successfully. The required governance structure, policies and procedures for GDPR compliance are in place. Detailed GDPR training for Access to Information Representatives and Members was delivered and expert guidance delivered on specific GDPR issues. Mandatory GDPR e-learning has been undertaken by 95% of all staff (as at 02 July 2018) and a significant communications campaign delivered to raise awareness.
- 9 Mazars have provided initial feedback from their May 2018 audit which confirms that the corporate infrastructure for compliance is in place. The audit identified the key risk going forward as the management of GDPR compliance by departments: on this basis the risk rating remains unchanged.
- 10 Phase 2 of the GDPR project has commenced and will focus on supporting and advising departments to embed GDPR compliance with an initial high priority task of collecting and collating departmental information retention schedules.
- 11 The Comptroller and City Solicitor recommended to Summit Group that the classification of CR25 as a corporate risk should be considered given the work that had now been done to prepare the City Corporation for this regulation. CORMG were consulted and Summit Group at their meeting on 27 June 2018 agreed to de-escalate this risk to departmental level. It will continue to be managed by the Comptroller and City Solicitor. GDPR will be included in the CR 16 information security risk for corporate visibility. CORMG will keep a watching brief on the GDPR risk until the scheduled completion of the mitigating actions in December 2018.

### Corporate risk ratings and target dates

- 12 Out of the twelve corporate risks, five risks have annual target dates and relate to longer term risks. These are:
  - CR01 Resilience risk
  - CR02 Loss of Business Support for the City
  - CR09 Health and Safety
  - CR10 Adverse political developments
  - CR17 Safeguarding

The other seven risks relate to specific, and usually significant operational risks. They have target dates where the risk scores should be achieved.

- 13 The corporate risks with the highest likelihood rating(Likely) are CR10 Adverse Political Developments, CR17 Safeguarding and CR24 Operational

Security. The following corporate risks have the highest impact rating – CR02 Loss of Business support for the City, CR21 Air Quality and CR23 Police Funding.

- 14 Below is a table showing three corporate risks which have target dates from the June 2018 to the end of October 2018. Further information about these three risks is contained in paras 11 to 16 below.

Code	Title	Current Risk Score	Target Risk Score	Target Risk Date
CR16	Information Security	16 (Red)	8 (Amber)	30-Jun-2018
CR19	IT Service Provision	12 (Amber)	4 (Green)	30-Jun-2018
CR20	Road Safety	12 (Amber)	6 Amber	31 October 2018

### **CR16 Information Security and CR19 IT Service provision**

- 15 The IT Director has reported that significant progress has been made to mitigate both CR16 information security and CR19 IT service provision risks. CR 16 will be re-rated to amber and CR19 will be re-rated to green. A report is being presented to IT Sub Committee on 10 July to recommend endorsement to the re-rating of these risks. Amendments to the risk register will then be made.

### **CR20 Road Safety**

- 16 The Director of the Build Environment has reported that the Permanent Bank Scheme is still on hold and a final decision is due to be taken by the Court of Common Council on 13 September 2018. There are also other actions being implemented to mitigate this risk and these are outlined in the detailed risk register (attached as appendix 2).

### **Potential change to the Corporate risk register - CR 22 Barbican Centre fire safety risk**

- 17 The Operations & Buildings Director, Barbican Centre has indicated that sufficient progress has now been made to reduce this risk from Red 16 to an amber 8 rating (its target score). However, consideration is now being given to retiring this risk from the corporate risk register and a new risk to be drafted recognising that the risk now is focussed on the delivery of several fire safety improvement projects within the Barbican Centre. A proposal is to be presented, by the Operations and Buildings Director, at the next meeting of CORMG meeting in July 2018.

### **Top departmental red risks**

- 18 There are currently seven top departmental red risks (nine in May 2018). The following changes have been made to the top red departmental risk register since May 2018. (see appendix 3):

Risks removed:

1. OSD 005 Pests and Diseases summary risk
2. BBC H&S 002 -Failure to deal with Emergency /Major Incident or Risk of Terrorism.

### **City Bridge risks (SUR SMT 006,007,008)**

- 19 The City Surveyor's Department has organised a workshop in early July with the relevant leads from Built Environment, Chamberlain's, City Bridge Trust and City Surveyor's to consider City Bridge risks. Following the meeting, the risks associated with the City Bridges will be reviewed and revised. This will result in some changes to the risk register as it relates to the City Bridges.

#### **Corporate risk profiling exercise**

- 20 To ensure that the City Corporation's corporate risks are aligned to the new Corporate Plan (and to identify any new risks), a corporate risk profiling exercise was commissioned and undertaken by David Forster, Head of Risk with Zurich Municipal. The exercise involved interviews with Chairman of Policy and Resources, Finance and the Audit and Risk Management Committees and with a number of Chief Officers. The initial results of this exercise were reported and discussed at the Chief Officers Group (COG) held on 14 June 2018. Further work has been requested to clarify potential new risks and the whether some or all of these risks should be in the public domain. The results of this exercise will be reported back to Summit Group and then to the audit and Risk Management Committee.

### **Conclusion**

- 21 The corporate and top red departmental risk registers were reviewed by CORMG (22 May 2018), Summit Group on 27 June 2018 and CORMG on 3 July 2018. 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

**APPENDIX 3** – Top Red departmental risk register

**Contact:** *Paul.Dudley* | *Paul.Dudley@cityoflondon.gov.uk* | 02073321297