

<b>Committee(s)</b>	<b>Dated:</b>
Finance Committee – For Information	24/07/2018
<b>Subject:</b> Chamberlain’s Department Risk Management – Quarterly Report	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
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### 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.

The Chamberlain’s department currently has three corporate risks and three departmental risks on its risk register. The most significant risks are:

- **CR16 – Information Security** (Current Status: **RED**)
- **CR19 – IT Service Provision** (Current Status: **AMBER**)
- **CR23 – Police Funding** (Current Status: **RED**)

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these risks. The IT risks are due to be reduced to Amber and Green status following agreement from IT Sub Committee in June.

### 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, which have resulted in the movement in the IT Service Provision risk from Red to Amber.

### 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 reviewed in detail on a quarterly basis at Departmental Senior Leadership Team (SLT) meeting. 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 quarterly review, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly. Significant changes to existing risks are escalated to SLT when identified.

### **Identification of new /emerging risks**

4. New and emerging risks are identified directly by the Senior Leadership Team on an on-going basis, with particular attention given as part of the quarterly review process.

### **Summary of Risks**

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

#### **CR16 – Information Security (Current Risk: Red – Reducing)**

At time of writing, this risk is now recommended to be reduced to amber status to be agreed by IT Sub-Committee on 10<sup>th</sup> July. This risk has been reduced by using a recognised Cyber security maturity model and with a combination of training, processes and tools being delivered.

#### **CR19 – IT Service Provision (Current Risk: Amber – Reducing)**

This risk has now been recommended to be reduced to green status, again, to be agreed by IT Sub-Committee on 10<sup>th</sup> July. The implementation of the Local Area Network (LAN) has now been completed.

#### **CHB IT 022 Transformation Benefits Realisation (Current Risk: Amber – no change)**

A change and engagement strategy is now underway. Now that new technology has been deployed to 2600 users, effort will be focused on developing and implementing a benefits realisation plan. 138 servers have been decommissioned as a consequence of the migration to Office 365 and transformation to cloud services. The net impact on a full financial year will be a c£200k reduction in IaaS charges.

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

The current financial outlook is more challenging for the City of London Police than previously anticipated. The 2017/18 year-end “underspend” of £3.5m was not actually an underspend but rather a committed amount but not yet spent. This means that the reserve balance to £7m will reduce back to £3.5m, leaving a larger financial deficit than had previously been forecast for 2019/20. The focus is both on identifying the steps needed to close the future funding gap and on strengthening the financial management capability and oversight.

### **CHB FS001 – Value for Money (Current Risk: Amber – no change)**

The Economy, Efficiency and Effectiveness Health Checks (EEE Health Checks) is a framework that has been designed to achieve better alignment of business plans to the Corporate Plan, the delivery of the 2% year-on-year efficiency and sustainability plan in local risk budgets, and to enable Members to fulfil their duty to periodically reviewing the performance of each Chief Officer in order to promote efficiency and value for money. The departmental EEE Health Checks are now in place and being used as a reporting mechanism to demonstrate good practice, drive continuous improvement and efficiencies, particularly in newer services, and optimise the use of resources. Chief Officers will continue to present their EEE Health Checks reports to Summit Group and Efficiency and Performance Sub Committee over the next year to demonstrate how they are delivering value for money.

### **CHB FS004 – Management Information Provision (Current Risk: Amber – no change)**

Functionality of Management Information is now in place which was used to produce the first corporate wide forecast. Improvements have been made to the upload templates and the team are embedding project manager review of forecasts monthly with more detailed profiling for complex high value projects. Training will commence shortly, reporting to committee in September 2018.

### **Emerging Risks**

Chamberlains SLT have identified some emerging risks which are currently being drafted, further detail will be reported as part of the next update. These include:

- IT Compliant Waivers
- Impact of Projects on support function resources (Finance, Procurement, IT)
- Financial implications of the introduction of the London Ultra Low Emission Zone
- Risk of cost escalation and business continuity within our supply chain due to Brexit

### **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.

### **Appendices**

- Appendix 1 Chamberlain's Department Detailed Risk Register

### **Background Papers**

Monthly Reports to Finance Committee: Finance Committee Risk

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