

<b>Committee(s)</b>	<b>Dated:</b>
<b>Audit and Risk Management Committee</b>	25 September 2018
<b>Subject: Publication status of the Risk Update report</b>	<b>Public</b>
<b>Report of:</b> Dr Peter Kane, Chamberlain	<b>For Decision</b>
<b>Report author:</b> Paul Dudley	

### **Summary**

The findings of the corporate risk profiling exercise were reported by David Forster, Head of Risk, Zurich Municipal) to Chief Officer Group (COG) in the summer 2018.

David Forster highlighted a potential concern with the public availability of the City Corporation's risk register (included within the regular risk update reports to the Audit and Risk Management Committee – public agenda). Publication of the corporate risk register could, for example, expose risks which might have a commercial impact and discourage Chief Officers from being as open about risks as they might otherwise be. In contrast he suggested that within the private sector maintaining a private risk register can encourage greater openness about risks within an organisation.

The Chairman, in consultation with the Chamberlain, agreed to bring this issue to the attention of the Committee and to seek to confirm or otherwise the approach to the publication status of the risk update (including the corporate risk register) on the Committee's agenda.

This report sets out the City Corporation's approach on Committee reports included in the Not for Publication section of Committee/Board agendas, the process by which corporate risk are identified/scrutinised/approved and the existing approach taken by this Committee on the publication status of the corporate risk register. It also provides comparative information on the publication of corporate risk register within some local authorities.

### **Recommendation(s)**

Members are asked to confirm:

1. the existing approach of including the risk update report (and corporate risk register) within the Public part of the Committee's agenda.
2. the Chairman's discretion in moving discussion about one or more risks, where appropriate, to the Non-Public part of the meeting.

### **Main Report**

## **Background**

1. In the early Summer 2018 a corporate risk profiling exercise was undertaken by David Forster, Head of Risk at Zurich Municipal. The aim of the exercise was to refresh the corporate risk register, identifying new risks that were focused on the successful delivery of the corporate outcomes as set out in the new Corporate Plan. The review also considered and validated the existing corporate risks register.
2. The findings of the exercise were reported to Chief Officer's Group (COG) in June 2018 and these are referred to in the Risk Update report on this agenda.
3. David Forster highlighted a potential concern with the public availability of the City Corporation's risk register (included within the regular risk update reports to the Audit and Risk Management Committee's – public agenda). Publication of the corporate risk register could, for example, expose risks which might have a commercial impact and discourage Chief Officers from as being open about risks as they may otherwise be. In contrast he suggested that within the private sector maintaining a private risk register can encourage greater openness about risk within an organisation.
4. In consultation with the Chamberlain, the Chairman of the Committee agreed to bring this issue to the attention of the Committee and to confirm or otherwise the approach to the publication status of the risk update (including the corporate risk register) on the Committee's agenda.

## **City Corporate approach to publication of Committee reports**

5. Following the COG meeting the Town Clerk issued a note on 1 July 2018 to all Chief Officers concerning the Non-public status of Committee reports. The key points were that:
  - a) City Corporation aimed to be as transparent as possible and that, wherever possible, committee business should always be to be conducted in public. The Court of Common Council agreed some time ago that the same principle should also be applied to those areas of activities which fall within City's Cash.
  - b) Report authors need to be clear on the reasons why an item should be considered in the closed session of a committee or board meeting and must ensure that those reasons accord with the exemptions specified in Schedule 12A of the Local Government Act, Access to Information.
  - c) Ultimately, whether a paper is deemed non-public is a matter for the Town Clerk.

## **Corporate risk register- adding new risks**

6. There is an existing officer process in place to review, challenge and approve new corporate risks. New risks suggested by Chief Officers are considered by the Chief Officer Risk Management Group (CORMG) which is chaired by the Chamberlain. CORMG recommend to Summit Group to approve new corporate risks. If approved the new corporate risk is presented to the next meeting of the Audit and Risk Management Committee for endorsement.

7. Over the last few years there have been several new risks added on to the corporate risk register - some of which are potentially sensitive. These include operational security and the fire safety risk at the Barbican Centre. However, this has not stopped Chief Officers identifying these risks for corporate status – even in the knowledge that the corporate risk register is published on the Public part of the Committee agenda.

### **The current Audit and Risk Management Committee approach**

8. Since, at least, June 2012 the Chamberlain's risk update report (including the corporate risk register) have been in the Public part of the agenda. Where the risk is of a potentially sensitive nature (e.g. security), the discussion about the risk has been taken in the Not for Publication part of the agenda.
9. The Deep Dive reports which focus on corporate risks are also in the Public part of the agenda. The Chairman, where appropriate, has moved the discussion about the risk in to the Not for Publication section of the meeting.
10. As a comparison with the current Audit and Risk Management Committee's practice for including the corporate risk register in the public part of their agendas, Alarm (The UK's public service professional risk management association) recently reported the results of their risk reporting survey.
11. The survey included a question on public availability of their corporate risk registers in Committee reports. Of the 23 local authorities who responded, 20 publish their corporate risk register in Audit Committee public agendas. In addition, Croydon LB have recently changed a long-standing approach to now include their corporate risk register in the public part of their Audit Committee agendas. RBK&C LB now publish a detailed corporate risk register (previously a summary register) in the public part of their Audit and Transparency Committee.

### **Conclusion**

12. This report provides an overview of the arrangements for determining the publication status of Committee report, the process for accepting risks on to the corporate risk register and the existing practice for reporting the risk update in the Public part of the Committee's agenda.
13. It is recommended that the existing arrangements for maintaining the risk update (including the corporate risk register) in the Public part of the Committee agenda continue. Where appropriate, the Chairman to move discussions on specific risks into the non-public part of a Committee meeting.

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