

<b>Committee:</b>	<b>Date:</b>
Audit and Risk Management Committee	2 June 2020
<b>Subject:</b> Risk Update	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Discussion</b>
<b>Report Author:</b> Paul Dudley, Corporate Risk Manager	

## Summary

This report provides Committee with an update on the corporate and the top red departmental risk registers as well as information on the red Covid-19 Silver Group risks.

A total of 393 risks (344 in January 2020) have been identified by departments providing a wide range of risks that may affect service delivery. This total does not include the 56 Covid-19 Silver Group risks, nine of which are red risks.

There are currently 19 (17 in January 2020) corporate risks included on the corporate risk register of which there are eight red and eleven amber risks. The increase is due to both CR33 Major Capital Schemes and CR34 Covid-19 (Response) risks being added to the corporate risk register and endorsed by the Committee in March 2020.

The Covid-19 emergency has impacted upon a number of corporate risks, in terms of their progression including the CR31 Fundamental Review where the proposals as they affect staff are being held in abeyance and a possible change in this risk to one focused on the Medium Term Financial Plan. This is under review.

In relation to the CR26 Brexit risk, a major review of this risk is expected following the government's update on negotiations with the EU in June 2020.

There are 29 top red departmental risks, an increase of 11 since the January 2020 report. Two risks were removed from the register whilst thirteen more were added.

## Recommendations:

The Committee is asked to:

1. Note the risk report including changes to both corporate and top red departmental risk registers since January 2020.
2. Note the Covid -19 Silver Group red risks report.

## Background



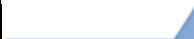





























- 1 The corporate risk and top red departmental risk registers have been reviewed by the Chamberlain and respective Chief Officers.
- 2 A total of 393 (344 in January 2019) wide ranging risks have been identified by departments – 52 red, 218 amber and 123 green risks at all levels. Nearly two thirds






















of the new risks added relate to the development of a new service level risk register for Culture and Visitor Centres (Town Clerks).

- 3 Of the 393 total risks, there are 19 corporate, and 29 red departmental level risks. There are another 92 amber and 40 green risks recorded at departmental level. The remaining 213 are recorded as either service or team level risks.
- 4 Held separately from the departmental risk registers are another 56 Covid-19 silver group risks maintained on the Pentana risk system (see para 14).

### Corporate risk register







- 5 There are currently 19 corporate risks (eight red and 11 amber) which includes the new corporate risks of CR33 Major Capital Schemes and CR 34 Covid 19 (Response). At the Committee meeting on 28 January 2020, it was agreed that at the first meeting after the end of each municipal year, the Committee would receive a detailed risk register of all corporate risks and at three other meetings during the year only, risks above appetite would be shown in detailed form. Attached as appendix 1 is the detailed corporate risk register which shows risks categorised by risk score as well as a summary version of this register (showing appetite levels) is attached as appendix 2.
- 6 Members are asked to note that the corporate risks CR28 Action Fraud and CR34 Covid-19 (detailed report) are presented in the Not for Publication part of the agenda (appendix 3).
- 7 Table 1 below – List of current corporate risks as at 14 May 2020 (ordered by risk score) and highlighting the risk assessment flight path.

Risk reference	Title	Current Risk Score	Current risk score	Trend	Risk flight path
CR34	COVID-19 (Response)	24			
CR20	Road Safety	24			
CR24	Operational Security	24			
CR28	Action Fraud	24			
CR31	Fundamental review delivery	24			
CR32	Wanstead Park Reservoirs (formerly OSD 013)	24			
CR23	Police Funding	16			
CR33	Major Capital Schemes	16			
CR01	Resilience Risk	12			
CR02	Loss of Business Support for the City	12			
CR09	Health Safety and Wellbeing Risk (Management System)	12			
CR16	Information Security (formerly CHB IT 030)	12			

CR21	Air Quality	12			
CR29	Information Management	12			
CR10	Adverse Political Developments	8			
CR17	Safeguarding	8			
CR26	Brexit - Organisational Impact	8			
CR30	Climate Action	8			
CR27	Change Management	6			

### Changes to the Corporate risk register

- 8 There have been a number of changes to the corporate risk register since the January 2020 report and these are set out below in table 2.

Corporate risk reference	Change	Current risk score change	Comment
CR24 Action Fraud	Amber 12 to Red 24		Commercial reasons. See risk update in Appendix 2
CR09 H&S	Amber 8 to Amber 12		Increased following Covid19 outbreak
CR34 Covid-19 (Response)	Red 16 to Red 24		Increased to reflect possible financial impacts and some service pinch points
CR10 Adverse Political Developments	Amber 12 to Amber 8		Decreased following UK exit from the EU
CR17 Safeguarding	Red 16 to Amber 8		Decreased following the out of hours issued which has now been addressed
CR30 Climate Action	Red 16 to Amber 8		Decreased following good progress to being made to mitigate risk

- 9 In addition to these changes there are a number of corporate risks which have been impacted (in terms of progressing actions) by the Covid-19 response by the City Corporation including CR31 Fundament Review where the proposals that affect staff have been put into abeyance and a possible change in this risk to one focused on the Medium Term Financial Plan (under review), CR23 Police Funding where further work will be required to understand and model impact on the MTFP and CR 33 Major Capital Schemes which is subjects to review in July 2020.

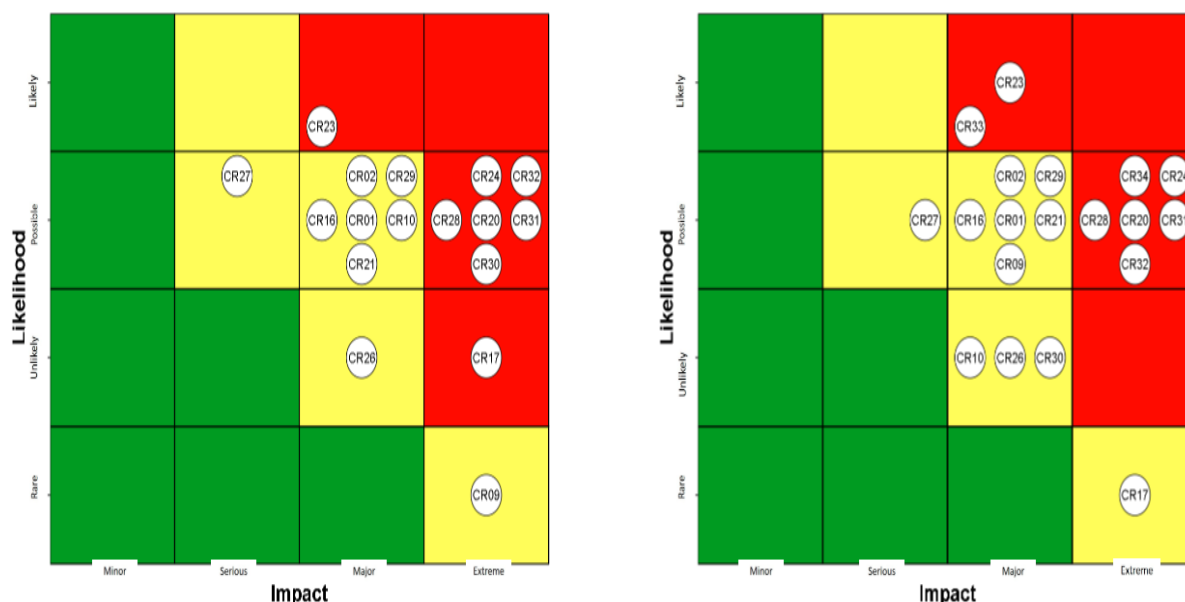
### Brexit

- 10 The UK formally left the European Union on 31 January 2020. There is a 11-month transition period, where the UK remains in both the EU customs union and single market, until the 31 December 2020. During this period, the UK and the EU are negotiating their future relationship which aims to include a free trade deal. These negotiations are continuing during the Covid-19 emergency and have yet to be concluded. It is expected that the government will announce an update on their progress in June 2020.
- 11 The existing corporate risk CR26 Brexit, continues to be monitored along with the departmental Brexit risks by Chief Officers. These will be reassessed in June to

confirm if these risks remain current and /or if new risks need to be developed along with related mitigations to reflect any new risk exposures to the City Corporation which may occur following this update.

### Disposition of corporate risk on the risk matrix

- 12 Table 3 below shows the disposition of corporate risks on the risk matrix between 24 January 2020 and 14 May 2020



### Development of a new corporate risk – Covid-19 (Recovery)

- 13 The City Corporation's Covid-19 Gold, whilst still focused of managing the issues arising from the emergency, is now preparing for the recovery phase. Covid-19 Gold, in discussions with Chief Officers, are developing a proposed new corporate risk in terms of recovery and restoration of City Corporation services. An update on this will be provided at the meeting on 2 June.

### Covid-19 silver group risks

- 14 In addition to the CR34 Covid-19 corporate risk, which is reviewed by Gold on a regular basis, there are five Silver Groups which support Gold in the management of this emergency. Each Silver Group has a dedicated risk register which are reviewed on a weekly basis. These risks are largely operational in nature and change both in risk score and additions/removals from the registers on a frequent basis. Currently there are a total on 56 risks on all Silver Group registers nine red risks, 40 amber and 6 green risks. Attached as appendix 4 is a short summary report highlighting the nine red Covid-19 silver group risks.

### Departmental red risks

- 15 There are 29 departmental red risks an increase of 11 since the January 2020 report. Two risks were removed from the register (CHB IT power/resilience and MAN CCC 002 Working at heights) and 13 new red risks added. The Barbican Centre added eight risks, City of Freeman's School three risks and City Surveyor's –

one risk. A summary version of the top red risk departmental risk register is attached as appendix 5. (The new risks are identified in this appendix).

### **Conclusion**

- 16 The corporate and top red departmental risk registers were reviewed by the Chamberlain and respective Chief Officers. This provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate and top red departmental risks (as well as the Covid 19 Silver Group red risks) are being appropriately and being actively managed during this emergency.

### **Appendices:**

<b>APPENDIX 1</b>	Corporate risk and actions detailed report
<b>APPENDIX 2</b>	Corporate risk summary report
<b>APPENDIX 3</b>	CR28 Action Fraud and CR34 Covid-19 (Response) risks (Included in the Not for Publication section of the agenda)
<b>APPENDIX 4</b>	Covid-19 Silver Group red risks – summary report
<b>APPENDIX 5</b>	Red departmental risk register- summary report

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