

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	25/05/2021
<b>Subject: Risk Management Update</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: The Chamberlain</b>	<b>For Information</b>
<b>Report author: Paul Dudley – Corporate Risk Manager</b>	

### Summary

This report provides Committee with an update on the corporate and the top red departmental risk registers as well as information on the Covid-19 Thematic Group risks. Both the corporate and red departmental registers have been reviewed by the Chief Officer Risk Management Group (CORMG) in April 2021.

There are currently 17 (18 in January 2021) corporate risks included on the corporate risk register of which there are 3 red and 14 amber risks. The reduction in the number of risks is accounted by CR26 Brexit risk being removed from the Corporate risk register earlier this year.

The number of corporate red risks has steadily decreased since April 2020 from ten to three (May 2021) whilst correspondingly the number of amber risks has increased from nine to 14 over the same period. There are two less corporate risks now than there were in April 2021.

No new risks have been recommended for endorsement as corporate risks since January 2021. Five corporate risks have decreased in current risk score:

- CR 09 H&S (reduced in current risk score but remains amber)
- CR 23 Police Funding (reduced from red to amber)
- CR 28 Action Fraud (reduced from red to amber)
- CR 34 Covid (reduced from a red to an amber)
- CR 35 Unsustainable medium-term finances (reduced from red to amber)

There are currently 20 red departmental risks reduced in number from 23 in January 2021.

Overall, there are a total of 404 risks (395 in January 2021) that have been identified by departments, providing a wide range of risks that may affect service delivery. This total does not include the 42 (42 in January 2021) Covid-19 Thematic Group risks,

five of which are red risks (six in January 2021). The Covid 19 Recovery Group are responsible for reviewing the Thematic Group risk registers.

### Recommendation(s)

Members are asked to note the:

1. Risk report including changes to both corporate and top red departmental risk registers since January 2021.
2. Covid -19 Thematic Group summary risk register.

### Main Report

#### Background

1. The Corporate Risk Management Policy and Strategy of the City of London Corporation requires an update on the corporate and red departmental risks to be reported to this Committee on a quarterly basis.
2. The corporate and red departmental risk update reports provide one of the means by which the Committee exercises its role on the oversight of risks and risk management within the City Corporation. This is in addition to the corporate risk deep dive reports and the Chief Officer Informal Risk Challenge sessions.
3. The corporate risk and red departmental risk registers have been reviewed by the Chamberlain and the Chief Officer Risk Management Group in April 2021.
4. The overall picture of the number and risk rating of all risks recorded on the Pentana Risk system (comparison between May and January 2021) are set out in table 1 below:

Risk rating	May 2021	Jan 2021	Difference
<b>Red</b>	50	51	-1
<b>Amber</b>	222	226	-4
<b>Green</b>	132	118	+14
	<b>404</b>	<b>395</b>	<b>+9</b>









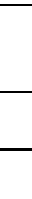





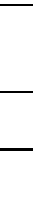


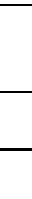








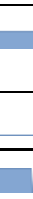
5. Table 2 below shows the breakdown of red, amber, and green risks by risk level for May 2021 compared with January 2021.





















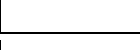



Risk rating	Red		Amber		Green	
	May 2021	Jan 2021	May 2021	Jan 2021	May 2021	Jan 2021
<b>Corporate</b>	3	8	14	10	0	0
<b>Departmental</b>	20	23	92	103	30	34
<b>Service</b>	27	20	116	113	102	84
<b>Total</b>	<b>50</b>	<b>51</b>	<b>222</b>	<b>226</b>	<b>132</b>	<b>118</b>

6. Held separately from the departmental risk registers are another 42 Covid-19 Thematic Group risks maintained on the Pentana Risk system (see para 21). These registers are reviewed by the Covid19 Recovery Group on a regular basis. (appendix 5)

## Current Position

7. 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 the three other meetings during the year only risks above appetite would be shown in detailed form plus a summary report provided. Attached, for this meeting as appendix 1, is the detailed corporate risk register and a summary risk report showing all corporate risks, attached as appendix 2.
8. Members are asked to note that the corporate risks CR28 Action Fraud and CR34 Covid-19 (detailed reports) are presented in the Not for Publication part of the agenda (appendix 3).
9. There are no new risks being recommended for endorsement on the corporate risk register at this meeting. No risks have increased in risk score since the January 2021 report whilst there are five risks which have reduced in current risk scores. These are detailed below (paras 12 -17). Of the 17 corporate risks, five have the same current and target risk scores and therefore these risks are recorded as accepted in appendices 1 and 2.)
10. The number of red risks has steadily decreased since April 2020 from ten to three (May 2021) whilst correspondingly the number of amber risks has increased from nine to 14 over the same period (being re-rated from red). There are two less corporate risks now than there were in April 2020.
11. Table 3 below – List of current corporate risks as of 5 May 2021 (ordered by risk score) and highlighting the risk assessment flight path.

Risk reference	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon (Difference in current and previous risk assessments)	Flight path (since risk creation date)
CR20	Road Safety	24			
CR32	Wanstead Park Reservoirs (formerly OSD 013)	24			
CR24	Operational Security	16			
CR01	Resilience Risk	12			
CR02	Loss of Business Support for the City	12			
CR10	Adverse Political Developments	12			
CR16	Information Security (formerly CHB IT 030)	12			
CR21	Air Quality	12			
CR23	Police Funding	12			

Risk reference	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon (Difference in current and previous risk assessments)	Flight path (since risk creation date)
CR29	Information Management	12			
CR30	Climate Action	12			
CR33	Major Capital Schemes	12			
CR34	COVID-19	12			
CR35	Unsustainable Medium-Term Finances	12			
CR09	Health Safety and Wellbeing Risk (Management System)	8			
CR17	Safeguarding	8			
CR28	Action Fraud	8			

## Corporate Risks- decreased in current risk score:

### CR 09 Health, Safety and Wellbeing (Safety Management system).

12. This risk has reduced in risk score from an amber 12 to an amber 8. CR09 was elevated previously to an amber 12 from an amber 8 at the beginning of the Covid 19 pandemic. However, the health and safety management system has performed effectively throughout as well as ensuring other regular health and safety activities such as audits were undertaken. The risk owner now considers that given the robustness of the health and safety management system it is appropriate to reduce the score back to the pre Covid 19 current risk score.

### CR 23 Police Funding & CR 35 Unsustainable medium-term finances

13. Both CR23 Police Funding and CR35 Unsustainable Medium-Term Finances have been reduced from a current risk score of red (16 and 24 respectively) to amber 12 following the adoption of effective mitigations. These changes in current risk scores were reported to the Committee at their meeting on 23 March 2021. The Committee noted a proposal that CR23 Police Funding would be considered for inclusion in the wider CR35 risk in the autumn (Minute 14 (2) 23 March 2021).

### CR 28 Action Fraud

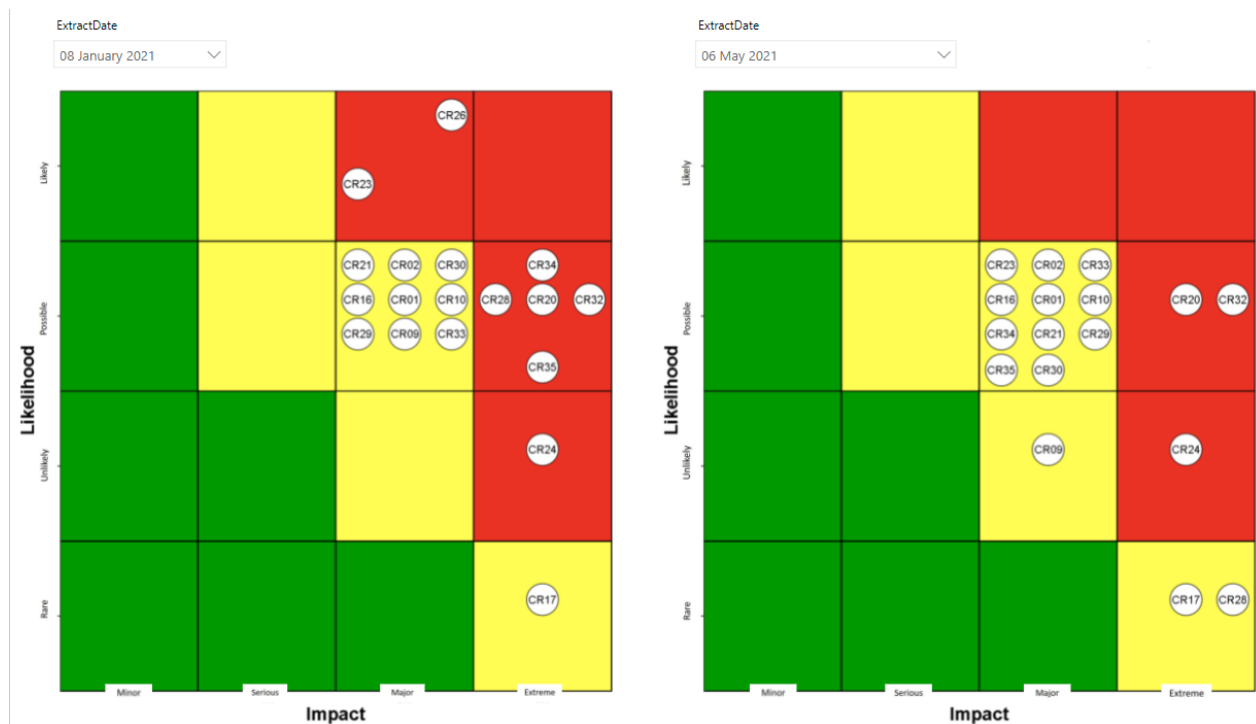
14. CR28 has been reduced in current risk score from a red 24 to and amber 8. Measures have been taken to resolve the contractual dispute. The Procurement Sub Committee and the Policer Authority Board agreed the approach to be taken in March 2021. As result formal procedures are now in train to finalise outstanding issues by May 2021.

## CR34 Covid 19

15. Following consideration of the current Covid 19 situation and its impact upon the City Corporation, the Gold meeting on 9th April 2021 agreed that CR34 would in future focus on maintaining core services. The risk description has been amended to reflect this. The current risk score was reviewed and reduced from red 24 to Amber 12.
16. The financial impacts of COVID 19 are captured within CR35 'Unsustainable Medium Term Finances risk' with the economic and financial uncertainties brought about by COVID-19 included in CR02 'Loss of Business Support for the City'. Both risks have a current risk score of Amber 12.
17. Members are asked to note that the CR34 Covid risk is the subject of a deep dive report on the agenda for the Committee meeting being held on 25 May 2021.

### Disposition of corporate risks on the risk matrix

18. The graphic below shows the disposition of corporate risks on the risk matrix between January and May 2021



### Red Departmental level risks

19. There are 20 departmental red risks (23 as at January 2021). The two top rated red departmental risks (current risk score 24) are:

- **MCP-PHPP 001** Brexit- Impact on Port health and Animal Health
- **CLSG -01** Loss of income due to drop in student numbers (SA5 - Operations)

20. All the remaining risks have a current risk score of red 16. A list of the current departmental red risks is attached as appendix 4

### **Covid19 Thematic Group Risks**

21. In addition to the CR34 Covid-19 corporate risk there are 42 (42 in January 2021) Thematic Group risks which include five red risks, 28 amber and nine green risks. Attached as appendix 5 is a short summary report of all 42 Covid-19 Thematic group risks included in the not for publication part of the agenda.

### **Conclusion**

22. The corporate and red departmental risk registers were reviewed by the Chamberlain and the Chief Officer Risk Management Group in April 2021. The Covid19 Recovery Group regularly review the Thematic Group risk registers. This provides additional assurance to Chief Officers and the Audit and Risk Management Committee that corporate and red departmental risks (as well as the Covid19 Thematic Group red risks) are being appropriately and being actively managed.

### **Corporate & Strategic Implications**

23. The reporting of risk information is in accordance with the Corporate Risk Management Strategy (2020)

### **Appendices**

- Appendix 1 - Corporate risk and actions detailed report – All risks
- Appendix 2 - Corporate risk summary report (All risks)
- Appendix 3 - CR28 Action Fraud and CR34 Covid-19 risks (Included in the **Not for Publication** section of the agenda)
- Appendix 4 – Red departmental level risk register – summary report (by department)
- Appendix 5 – Covid19 Thematic group Summary risks by department (Included in the **Not for publication** part of the agenda)

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