

Committee(s) Markets Committee	Dated: 20 January 2022
Subject: Wholesale Market Risks Update Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1. People are safe and feel safe. 7. We are a global hub for innovation in finance and professional services, commerce and culture.
Does this proposal require extra revenue and/or capital spending?	N
Report of: Director of Markets	For Information
Report author: Donald Perry, Markets Division	

Summary

This report has been produced to provide the Markets Committee with assurance that risk management procedures in place within the Markets Division are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

Risk is reviewed regularly by the departmental Senior Management Team as part of the on-going management of operations within the Markets Division of the Chief Operating Officer's Department. A process exists for in-depth periodic review of the risk register and for emerging risks to be identified.

In accordance with the City of London's Risk Management Framework, and as agreed by your Committee in November 2021, this report only considers key departmental level risks with a current risk score of 6 or above (i.e. those classed as Red or Amber) and which fall within the remit of your Committee:

- MCP-WM 004: Wholesale Markets – Traffic Management (AMBER, 12)
- MCP-SM 012: Building maintenance-management, Smithfield (AMBER, 8)
- MCP-WM 001: Wholesale Markets - Consolidation Project (AMBER, 8)
- MCP-BG 003: Brexit – Impact (AMBER, 6)
- MCP-SM 011: Brexit – Impact of Brexit on traders and imports, Smithfield (AMBER, 6)

Recommendation(s)

Members are asked to:

- Note the report and the actions taken in the Markets Division to monitor, and manage effectively, risks arising from its operations.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation (the City) requires each Chief Officer to report regularly to Committee the key risks faced in their department.

Current Position

2. This report provides an update on the key risks that exist in relation to the operations of the wholesale markets within the Chief Operating Officer's Department. The report also outlines the processes adopted for the ongoing review of risk and mitigating actions.

Risk Management Process

3. Risk Management is a standing agenda item at the regular Markets Division Senior Management Group (SMG) meetings, over and above the suggested quarterly review. At each meeting, the SMG reviews existing risks and considers whether there are any emerging ones for addition to the risk register.
4. Between each SMG meeting, risks are reviewed in consultation with risk and control owners, and updates are recorded in the corporate risk management system (Pentana).
5. Regular risk management update reports are provided to this Committee in accordance with the City's Risk Management Framework.

Identification of New Risks

6. New and emerging risks are identified through a number of channels, the main being:
 - Directly by SMG as part of the regular review process.
 - In response to regular review of delivery of the Business Plan; slippage against key deliverables, for example.
 - An annual, fundamental, risk register review, undertaken by the tier of management below SMG.
7. The risk register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

Summary of Key Risks

8. The Risk Register for the Wholesale Markets contains five departmental level risks with a current rating of 6 or above (i.e. those classed as 'Red' or 'Amber' on the City of London Risk Matrix, a copy of which is provided at Appendix A).
9. A Summary Risk Register is attached at Appendix B and the detailed Register at Appendix C. Our approach to all these risks is to reduce their rating.

Corporate & Strategic Implications

Strategic implications: Effective management of risk is at the heart of the City Corporation's approach to delivering cost effective and valued services to the public as well as being an important element within the corporate governance of the organisation.

Financial implications: None

Resource implications: None

Legal implications: None

Risk implications: The proactive management of risk, including the reporting process to Members, demonstrates that the Markets Division of the Chief Operating Officer's Department is adhering to the requirements of the City of London Corporation's Risk Management Policy and Strategy.

Equalities implications: There are no proposals in this report that would have an impact on people protected by existing equality legislation.

Climate implications: None

Security implications: None

Conclusion

10. Members are asked to note that risk management processes within the Markets Division adhere to the requirements of the City Corporation's Risk Management Framework. Risks identified within the operational and strategic responsibilities of the Markets Division are proactively managed.

Appendices

- Appendix A: City of London Corporation Risk Matrix
- Appendix B: Wholesale Markets Risks – Summary Risk Register
- Appendix C: Wholesale Markets Risks – Detailed Risk Register

Background Papers

Departmental Business Plan
Department Risk Review
Department Business Plan Progress Report
Risk Management Strategy

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