

<b>Committee(s):</b> Audit and Risk Management Committee	<b>Dated:</b> 16/01/2023
<b>Subject:</b> Risk Management Update	<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/A</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:</b> Chief Strategy Officer	<b>For Information</b>
<b>Report author:</b> Tatianna Wanyanga, Corporate Risk Manager	

### Summary

This report provides the Committee with an update on the corporate and top red departmental risk registers since last reported to the Committee in November 2022. Further details can be found in the appendices listed at the end of this report.

### Recommendation

Members are asked to note:

- The report and the corporate and top red departmental risk registers outlined in this report.
- The changes to the corporate and the top red departmental risk registers, including:
  - CR10 Adverse Political Developments current risk score has decreased from Amber 12 to Amber 8 (4x2 - impact major, likelihood unlikely). The total number of corporate risks has remained at 14.
  - One risk (BBC Buildings 020 LTHW) has been added to and one risk (COO-MKT-WM 004 Wholesale Markets Traffic Management) de-escalated from the red departmental register. The total number of red departmental risks has therefore remained at 24.
- Following discussion at the Committee meeting in November:
  - Table 3 in this paper now shows risk creation dates and the date risks went onto the corporate risk register as additional background.
  - Work on a new 'people' recruitment and retention risk is continuing and will be taken to the next Chief Officer Risk Management Group for review.

## Main Report

### Background

1. The corporate and red departmental risks are reported to this Committee on a quarterly basis to enable the Committee to exercise its role in the monitoring and oversight of risk management within the City of London Corporation (CoLC).
2. The corporate and red departmental risk registers were reviewed by the Chief Officers Risk Management Group on 12 December 2022 as Senior Officers accountable for CoLC risk management actions, decisions and outcomes.

### Current Position

#### All Risks

3. Table 1 below shows the overall number and risk ratings of all risks recorded on the Pentana Risk system as of 3 January 2023 compared with 10 November 2022 (the figures last seen by the Committee).

Risk rating (RAG)	Jan 2023	Nov 2022	Difference
Red	71	74	-3
Amber	254	259	-5
Green	131	126	+5
Total	456	459	-3

Table 1: January 2023: Overall Risk Numbers by RAG Rating on Pentana

4. Table 2 below shows the breakdown of the rated red, amber and green risks by risk level as of 3 January 2023 compared to 10 November 2022.

Risk rating	Red		Amber		Green	
	Jan 2023	Nov 2022	Jan 2023	Nov 2022	Jan 2023	Nov 2022
Corporate	5	5	9	9	0	0
Departmental	24	24	80	81	25	25
Service	42	45	165	169	105	100
Team	0	0	0	0	0	0
PPM	0	0	0	0	1	1
Total	71	74	254	259	131	126
Difference	-3		-5		+5	

Table 2: January 2023: Breakdown of RAG Risks by Risk Level

### Corporate Risks

5. There are currently 14 corporate risks on the corporate risk register (5x Red, 9x Amber). Attached to this paper at Appendix 1 is the corporate risk register showing the seven risks above appetite.

6. The highest scoring corporate risks (all at Red 24, 8x3 - impact extreme, likelihood possible) are:
  - CR35 Unsustainable medium-term finances - City Fund
  - CR38 Unsustainable medium-term finances - City's Cash
  - CR16 Information Security
7. CR10 Adverse Political Developments risk score has decreased from Amber 12 (4x3 - impact major, likelihood possible) to Amber 8 (4x2 - impact major, likelihood unlikely) as the UK political landscape has become more settled following the events of the summer and autumn.
8. Work on finalising a new 'people' risk focussed on recruitment and retention of staff is being carried out by the Chief People Officer and will be reviewed at the next Chief Officer Risk Management Group. Further updates will be provided to the Committee at their next meeting.
9. Table 3 below shows a summary of all CoLC corporate risks as of 15 December 2022. Following discussion at the last Committee meeting, this report now includes the date that a risk was put onto the corporate risk register and the date that it was created in Pentana. To note:
  - If a corporate risk were first created at another level (e.g. departmental or service), the creation date may reflect the date the risk was first drafted, not when it moved onto the corporate risk register - see CR37 created as a departmental risk in 2019, but moved onto the corporate register in 2022.
  - At least one risk has moved between the corporate and departmental risk registers more than once which has impacted the 'creation date' shown on the system reports – see CR16, which was on the pre-Pentana 2014 corporate risk register, but now has a creation date of 2019.
  - Risks that were on the pre-Pentana corporate risk register were not transferred onto Pentana in one go. This means some creation dates may appear later than others, even though the risk itself is longstanding - see CR01, created in Pentana in March 2015, but which existed on the pre-Pentana register.

Risk code	Risk title	Current Risk Score	Risk Score Indicator	Trend Icon	Flight Path	Original risk creation date (Pentana)	Risk added to CR register (year)
CR16	Information Security (formerly CHB IT 030)	24	●	▬		10-May-2019	Pre-Pentana (2014)
CR35	Unsustainable Medium-Term Finances - City Fund	24	●	▬		19-Jun-2020	2020
CR38	Unsustainable Medium-Term Finances - City's Cash	24	●	▬		31-Oct-2022	2022
CR36	Protective Security	16	●	▬		10-Jan-2022	2022
CR37	Maintenance and renewal of Physical Assets- Investment Property and Corporate (operational) Property (excluding housing assets)	16	●	▬		04-Nov-2019	2022
CR01	Resilience Risk	12	▲	▬		20-Mar-2015	Pre-Pentana (2014)
CR02	Loss of Business Support for the City	12	▲	▬		22-Sep-2014	Pre-Pentana (2014)
CR21	Air Quality	12	▲	▬		07-Oct-2015	2015
CR29	Information Management	12	▲	▬		08-Apr-2019	2019
CR30	Climate Action	12	▲	▬		07-Oct-2019	2019
CR33	Major Capital Schemes	12	▲	▬		14-Feb-2020	2020
CR09	Health Safety and Wellbeing Risk (Management System)	8	▲	▬		22-Sep-2014	Pre-Pentana (2014)
CR10	Adverse Political Developments	8	▲	▾		22-Sep-2014	Pre-Pentana (2014)
CR17	Safeguarding	8	▲	▬		22-Sep-2014	Pre-Pentana (2014)

Table 3: December 2022: List of Current Corporate Risks by Current Risk Score.

10. The RAG matrices below show the distribution of corporate risks as of 3 January 2023 (Table 4) and November 2022 (Table 5):



Table 4: Jan 2023 Corporate Risk Heatmap



Table 5: Nov 2022 Corporate Risk Heatmap

### Red Departmental Risks

11. There are currently 24 departmental red risks. A summary of the top red departmental risks can be found at Appendix 2.

- **BBC Buildings 02 LTHW (Low Temperature Hot Water) Pumps** was added to the departmental risk register on 18/11/22. The current rating of this risk has increased from Amber 12 to Red 16 (4x4 - impact major,

likelihood likely). This risk was escalated to the red departmental risk register due to issues in the replacement for a hot water circulation pump.

- **COO-MKT-WM 004 Wholesale Markets Traffic Management** risk has been de-escalated from the red departmental register as the improvement notice issued by the Health and Safety Executive relating to a forklift truck accident at Smithfield has been discharged following the implementation of new traffic management measures. Management measures are now in place to the satisfaction of the HSE. Current risk rating for this risk has reduced from Red 16 to Amber 8 (4x2 - impact major, likelihood unlikely).

12. The following three risks are the highest rated departmental risks with current risk scores of 24 (8x3 - impact extreme, likelihood possible.). All other risks have a rating of 16 (4x4 - impact major, likelihood likely):

- ENV-PHPP-001 Brexit Impact on Port Health and Animal Health
- CLS-OPS-002 Cyber Security
- ENV-CO-TR-001 Road Safety

### **Corporate & Strategic Implications**

Strategic implications – Reporting in line with CoLC Corporate Risk Management Strategy.

Financial implications – None applicable

Resource implications – None applicable

Legal implications - None applicable

Risk implications – None applicable

Equalities implications – None applicable

Climate implications – None applicable

Security implications – None applicable

### **Conclusion**

This risk update and accompanying documents (see appendices) are aimed at providing assurance to the Audit and Risk Management Committee that risks within the City of London Corporation are being effectively handled.

### **Appendices**

- Appendix 1: Corporate risk register report- above appetite risks only
- Appendix 2: All red departmental risks short summary report

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