

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	13/03/2023
<b>Subject: Corporate Risk – Deep Dive Review: CR09 Health, Safety and Wellbeing</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: Joint Report of the Chief Strategy Officer and the Head of Internal Audit</b>	<b>For Discussion</b>
<b>Report author: Matt Lock</b>	

### Summary

Internal Audit has undertaken a deep dive review in relation to CR09 Health, Safety and Wellbeing. The objective of the deep dive review is to examine the effectiveness of the arrangements in place for the systematic management of Corporate Risk.

The review found that:

- The risk is being reviewed regularly on system.
- 2<sup>nd</sup> line of defence activity to monitor corporate safety risk is currently not operating effectively.
- Considerable activity is underway to implement a more robust system of oversight and assurance in relation to safety risk management yet this is not reflected in the mitigating actions on the risk register neither is the positive direction of travel; the current risk score and target risk score are equal, whereas, in fact, the organisation is working towards a lower risk level.

The responsible officers engaged fully with this process, resulting in a transparent and full exchange of information, the findings of the deep dive review have been shared and it is anticipated that this will inform subsequent management review accordingly.

### Recommendation(s)

Members are asked to note the report.

### Main Report

#### Background

1. Deep-dive reviews of the City of London Corporation’s Corporate Risks are undertaken by Internal Audit and reported to this Committee. The report is informed by in depth

review of the arrangements in place for managing risk, incorporating a quantitative assessment of the systematic application of the Corporate Risk Management Framework and a qualitative assessment as to the overall quality and completeness of the information provided in the risk register and, where possible, an objective review of the effectiveness of mitigating actions. This is a joint report of Internal Audit and Corporate Strategy and Performance.

**Current Position**

2. The deep dive report takes the following format:

- i. Review of Risk Register Maintenance
- ii. Review of Completed Mitigating Actions
- iii. Review of Proposed Mitigating Actions
- iv. Review of Monitoring Arrangements
- v. General Observations and Overall Commentary

3. This report is focussed on Corporate Risk CR09 Health, Safety and Wellbeing, the extract from the Risk Register is shown as Appendix 1.

**CR09 Health, Safety and Wellbeing**

Area of Testing	Audit Findings
Risk Register Maintenance	<ul style="list-style-type: none"> <li>▪ All key information fields are populated.</li> <li>▪ The risk register has been reviewed on system at least quarterly, which meets the requirements of the Risk Management Framework and is considered sufficiently frequent to ensure that Chief Officers are presented with timely information, although noted that the updates do not always provide additional or new information.</li> </ul>
Completed Mitigating Actions	<ul style="list-style-type: none"> <li>▪ A number of mitigating actions are noted as complete, no further Audit testing was undertaken in this regard as the actions were largely in response to matters/events now in the past (e.g. response to the COVID-19 pandemic).</li> </ul>
Proposed Mitigating Actions	<ul style="list-style-type: none"> <li>▪ There are no stated actions as to how the current risk level will be maintained, on the basis that the current controls were considered to be holding</li> <li>▪ There are no stated actions to reduce the risk beyond its current level</li> </ul>
Monitoring Arrangements	<p>Monitoring arrangements in place in relation to this risk are not considered to be working consistently, this has not consolidated or incorporated relevant knowledge or recent events, for example:</p> <ul style="list-style-type: none"> <li>▪ a recent Health and Safety Culture Maturity index assessment rated the City’s culture maturity at the lower end of the spectrum;</li> <li>▪ there have been several health and safety incidents across City premises, one of which resulted in an Improvement Notice issued by the Health and Safety Executive.</li> </ul>

	Senior Leadership are working to implement a more effective system of oversight for safety management which will provide for a more robust approach to monitoring the management of this risk.
General Observations and Overall Commentary	The current assessment is that this risk is running at target level, Internal Audit considered this to be slightly at odds with the current level of activity in progress to reform corporate oversight for safety management and known deficiencies in the City of London's 2 <sup>nd</sup> line assurance activity. The risk register does not capture any of this live activity even though it will assist in mitigating the corporate risk; in reporting the findings to Senior Leadership, the assessment of the current risk has been challenged; the organisation is clearly working towards a lower level of risk, if the current risk score is accurate, then the target risk score should be set at a lower level than it is at present. A verbal update in relation to this will be provided to the Committee

### Corporate & Strategic Implications

4. Corporate Risks are those that threaten the City of London Corporation's ability to achieve its strategic objectives and top priorities. The Risk Management process is designed to identify and manage risk to the organisation and incorporates various assurance mechanisms, this deep dive process is one source of assurance, examining the extent to which Corporate Risks are being managed within the Corporate Risk Management framework.

### Conclusion

5. The core purpose of CR09 is to manage safety related risk at an organisational level, while some individual incidents and specific operations will have a bearing on the threat level, successful mitigation of this risk lies in the overall system of safety management. Senior Leadership are working towards a new system of oversight and assurance which will provide greater rigour. The current position whereby the current risk and target risk scores are equal does not align with the proposed direction of travel to improve the management of this risk.

### Appendices

- **Appendix 1:** Risk Register Extract – CR09 Health, Safety and Wellbeing

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