

Committee(s): Audit and Risk Management Committee	Dated: 10/07/2023
Subject: Risk Management Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chief Strategy Officer	For Information
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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 May 2023. 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 attached to this report.
- That the total number of corporate risks remains at 15, with no changes to the risk ratings since the previous written update.
- That the number of red departmental risks remains at 26, with no changes to the risk register (risk ratings or risks) since the previous written update.

Main Report

Background

1. The corporate and red departmental risks are reported to this Committee as a minimum 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 Executive Leadership Board (ELB) on 17 May, and by the Chief Officers Risk Management Group on 19 June as Senior Officers accountable for CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-corporation risk management themes). ELB also

discussed the management of reputational risks at their meeting on 21 June and this will be explored in more detail at the next CORMG.

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 26 June 2023 compared with 2 May 2023 (the figures last seen by the Committee).

Risk rating (RAG)	June 2023	May 2023	Difference
Red	74	71	+3
Amber	274	276	-2
Green	122	121	+1
Total	470	468	+2

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

4. Table 2 below shows the breakdown of the red, amber and green rated risks by risk level as of 26 June 2023 compared to 20 May 2023.

Risk rating	Red		Amber		Green	
	June 2023	May 2023	June 2023	May 2023	June 2023	May 2023
Corporate	4	4	11	11	0	0
Departmental	26	26	102	104	25	24
Service	44	41	161	161	96	96
Team	0	0	0	0	0	0
PPM	0	0	0	0	1	1
Total	74	71	274	276	122	121
Difference	+3		-2		+1	

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

Corporate Risks

5. There are currently 15 corporate risks on the corporate risk register (4x Red, 11x Amber). The number of risks and the risk scores remains the same as when the Committee last received an update.
6. The highest scoring corporate risks - 1x Red 24 (8x3 impact extreme, likelihood possible) and 3x Red 16 (4x4 impact major, likelihood likely) - remain:
- CR16 Information Security – Red 24
 - CR37 Maintenance and Renewal of Corporate Physical Operational Assets – Red 16
 - CR38 Unsustainable Medium Term Finances City's Cash – Red 16
 - CR39 Recruitment and Retention – Red 16

7. Attached to this paper at Appendix 1 is the corporate risk register showing the eight risks above appetite.

8. Table 3 below shows a summary of all CoLC corporate risks as of 26 June 2023.

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path	Risk creation date (Pentana)	Risk added to CR Register (year)
CR16	Information Security (formerly CHB IT 030)	24				10 May 2019	Pre-Pentana (2014)
CR37	Maintenance and renewal of Corporate Operational Assets (excluding housing assets)	16				04 Nov 2019	2022
CR38	Unsustainable Medium Term Finances - City's Cash	16				31 Oct 2022	2022
CR39	Recruitment and Retention	16				21 Feb 2023	2023
CR01	Resilience Risk	12				20 Mar 2015	Pre-Pentana (2014)
CR02	Loss of Business Support for the City	12				22 Sept 2014	Pre-Pentana (2014)
CR29	Information Management	12				08 Apr 2019	Pre-Pentana (2014)
CR30	Climate Action	12				07 Oct 2019	2019
CR33	Major Capital Schemes	12				14 Feb 2020	2020
CR35	Unsustainable Medium Term Finances - City Fund	12				19 Jun 2020	2020
CR36	Protective Security	12				10 Jan 2022	2022
CR09	Health Safety and Wellbeing Risk (Management System)	8				22 Sept 2014	Pre-Pentana (2014)
CR10	Adverse Political Developments	8				22 Sept 2014	Pre-Pentana (2014)
CR17	Safeguarding	8				22 Sept 2014	Pre-Pentana (2014)
CR21	Air Quality	6				07 Oct 2015	2015

Table 3: June 2023: List of Current Corporate Risks by Current Risk Score.

9. The RAG matrices below show the distribution of corporate risks as of 26 June (Table 4) and 2 May 2023 (Table 5):

	Minor	Serious	Major	Extreme
Likely			3	
Possible		1	7	1
Unlikely			2	
Rare				1

Table 4: Jun 2023 Corporate Risk Heatmap

	Minor	Serious	Major	Extreme
Likely			3	
Possible		1	7	1
Unlikely			2	
Rare				1

Table 5: May 2023 Corporate Risk Heatmap

10. Following discussion at the May committee meeting, CR37 Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets) has been reviewed and amended to better reflect the risks in this area relating to the Barbican Centre and the Guildhall School of Music and Drama. You can find a copy of the updated risk at Appendix 2.

Red Departmental Risks

11. There are currently 26 departmental red risks – as reported in the last written update to the Committee. A summary of the top red departmental risks can be found at Appendix 3.
12. The following two risks remain the highest rated departmental risks with current risk scores of Red 32 (impact extreme 8 x likelihood likely 4).
 - GSMD CROSC 012 Failure to invest in the renewal of buildings and estate infrastructure
 - GSMD SUS 001 Inability to invest in new infrastructure and teaching spaces

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 document (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: CR37 Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)
- Appendix 3: All Red Departmental Risks - short summary report

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