

Committee(s): Audit and Risk Management Committee	Dated: 11/09/2023
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
Report author: Tabitha Swann, Head of Corporate Strategy and Standards	

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 July 2023. Further details can be found in the appendices listed at the end of this report.

Recommendation

Members are asked to note:

- This 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 all risk scores also remaining the same, bar CR09, which has increased from Amber 8 to Amber 12 and renamed *Health, Safety and Fire Risk Management System* (from *Health, Safety and Wellbeing Risk (management system)*).
- That one risk has been de-escalated to Amber and one risk has been added to the red departmental risk register. The overall number of risks (26) remains the same as the last 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 last reviewed by the Executive Leadership Board (ELB) on 13 July, and by the Chief Officers Risk

Management Group on 14 August as the Senior Officers accountable for CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-corporation risk management themes).

Current Position

All Risks

- Table 1 below shows the overall number and risk ratings of all risks recorded on the Pentana Risk system as of 24 August 2023 compared with 26 June 2023 (the figures last seen by the Committee).

Risk rating (RAG)	August 2023	June 2023	Difference
Red	71	74	-3
Amber	266	274	-8
Green	117	122	-5
Total	454	470	-16

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

- Table 2 below shows the breakdown of the red, amber and green rated risks by risk level as of 24 August compared to 26 June 2023.

Risk rating	Red		Amber		Green	
	Aug 2023	June 2023	Aug 2023	June 2023	Aug 2023	June 2023
Corporate	4	4	11	11	0	0
Departmental	26	26	104	102	23	25
Service	41	44	151	161	94	96
Team	0	0	0	0	0	0
PPM	0	0	0	0	0	1
Total	71	74	266	274	117	122
Difference	-3		-8		-5	

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

Corporate Risks

- There are currently 15 corporate risks on the corporate risk register (4x Red, 11x Amber). Attached to this paper at Appendix 1 is the corporate risk register showing the eight risks above appetite.
- The number of risks and the overall ratings remains the same as when the Committee last received an update. The risk scores also remain as they were except for CR09 (see below).
- CR09 has been renamed *Health, Safety and Fire Risk Management System* (it was previously *Health, Safety and Wellbeing Risk (management system)*). Following review and discussion at the Chief Officer Risk Management Group, the risk score has increased from 8 (4x2 impact major, likelihood unlikely) to 12 (4x2 impact major, likelihood possible).

8. CR37 Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets) was reviewed and discussed at the Chief Officer Risk Management Group on 14 August. It was agreed that the scoring of the risk was appropriate given current activity and mitigations. The City Surveyor in his role as Head of Profession for Estates and Facilities Management will continue to engage with the CEO of the Barbican and the Principal of the Guildhall School of Music and Drama on the handling of the issues raised in their areas.

9. 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

10. Table 3 below shows a summary of all CoLC corporate risks as of 22 August 2023.













































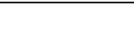
Risk Code	Risk Title	Current Risk Score	Current risk score icon	Trend Icon	Risk flight path	Risk creation date (Pentana)	Risk added to CR Register (year)
CR16	Information Security (formerly CHB IT 030)	24				10 May 2019	Pre-Pentana (2014)
CR37	Maintenance and Renewal of Corporate Physical Operational 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)
CR09	Health Safety and Fire Risk Management System	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
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: August 2023: List of Current Corporate Risks by Current Risk Score.

11. The RAG matrices below show the distribution of corporate risks as of 24 August (Table 4) and 26 June (Table 5):

	Minor	Serious	Major	Extreme
Likely			3	
Possible		1	8	1
Unlikely			1	
Rare				1

Table 4: Aug 2023 Corporate Risk Heatmap

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

Table 5: Jun 2023 Corporate Risk Heatmap

Red Departmental Risks

12. There are currently 26 departmental red risks, with one risk added and one risk removed from the register since the last report to the Committee. A summary of the top red departmental risks can be found at Appendix 2.

13. Details of the changes to the register can be found below:

- Risk Added - *COO DITS 045 PSTN Switch Off 2025* - Red 16, 4x4 Impact Major, Likelihood Likely: This covers BT's decision to retire their Public Switched Telephone Network (PSTN), now confirmed as taking place at the end of 2025, making current connections redundant and forcing an upgrade to digital fibre/mobile services. City of London Corporation has around 8,500 connections (linked to lift/Building Management System/fire alarms and door entry systems). The remedial work requires significant financial input, including a full survey of connection routing and systems in scope. The estimates for the cost of the survey and then the work is being progressed but will require financial approval as a project to commence.
- Risk Removed - *BBC CL 002 Safeguarding*: As a result of ongoing activities (including a new safeguarding policy in place and safeguarding champions identified), this risk has been reassessed at Amber 12 - 4x3 impact major, likelihood possible (down from Red 16 - 4x4 impact major, likelihood likely).

14. The following two risks remain the highest rated red departmental risks with current risk scores of Red 32 (impact extreme 8 x likelihood likely 4).

- GSMD CROSCHE 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: All Red Departmental Risks - short summary report

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