

City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee – For Information	Dated: 04/11/2024
Subject: Risk Management Update	Public report: For Information
This report supports the successful delivery of all six Corporate Plan outcomes and our statutory obligations through identifying and managing risks in line with our business objectives.	Corporate Risk Management
Does this proposal require extra revenue and/or capital spending?	No
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:	Dionne Corradine, Chief Strategy Officer
Report author:	Thomas Wrench, Corporate Strategy and Performance Team

Summary

This report provides the Committee with an update on the corporate and top red departmental risk registers since they were last reported to the Committee in September 2024. Further details can be found in the appendices listed at the end of this report.

Recommendation(s)

Members are asked to note:

- This report and the corporate and top red departmental risk registers attached to this report. Since the previous update:
 - The number of corporate risks has remained the same at 15 with one risk score decreased.
 - The number of departmental red risks decreased from 21 to 19, with two risks de-escalated.¹
- An update on the refresh of the City Corporation’s risk appetite statements.
- That a new Risk Management Policy has been developed and has been presented to this Committee for endorsement – see separate paper.

¹ Risks de-escalated: *CJS 004 Failure to Maintain Buildings and Site* and *CLSG-07 School facilities*

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 Chief Officer Risk Management Group (CORMG) on 3 October 2024 as Senior Officers accountable for CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-Corporation risk management themes).

Risk Activity – Process and Culture

3. CoLC risk management culture continues to be developed in line with the Risk Management Strategy 2024-2029. The focus of the first year is on ensuring the right tools and processes are in place and being used effectively. Work underway includes the sharing of risk management best practice from across the City Corporation at Risk Management Forum (RMF) sessions, liaison with Internal Audit (IA) to take forward recommendations and feedback from risk reviews, the delivery of bespoke training sessions for departments and institutions, and a refresh of risk reporting to support Chief Officers' strategic oversight. A summary of the actions completed will be presented to this Committee as part of the Strategy's annual review.
4. In response to feedback from Members at the September meeting, risk leads have been reminded that risk target dates should appropriately reflect the number and complexity of the mitigation actions. The RMF agenda includes a standing item on learning and development to further support accurate reporting and dynamic management of risks.
5. The refresh of the City Corporation's risk appetite continues. In early October, CORMG reviewed and agreed a revised list of strategic-level risk themes, under which will sit a series of risk appetite statements. These statements will be developed over the next few months in consultation with Chief Officers and Heads of Profession, along with Member engagement on the development of the statements and to ensure widespread application of the risk appetite once agreed. A paper detailing the proposed risk appetite themes and statements will be presented to this Committee for their endorsement in February 2025.
6. A Risk Management Policy has been developed in line with the commitment set out in the Risk Management Strategy 2024-2029. This draft Risk Management Policy supports the delivery of this strategy by providing our risk management framework and expectations in relation to our organisational approach – see separate agenda item and accompanying paper seeking Committee endorsement for the policy.

7. As acknowledged in paragraph 3, we continue to work closely with IA colleagues to understand and address issues relating to risk management within the City Corporation. The findings from their recent report on the CoLC Risk Management Framework have enabled us to double-check that our risk activity (previous, current and planned) appropriate addresses these. As the report covers July 2022 to August 2024, some of the IA findings had already been tackled as part of the risk management work during that period. Any remaining issues will be handled through the action plan attached to our Risk Management Strategy 2024-2029. The Corporate Risk Team and CORMG will consider all IA reports to ensure any that issues related to our risk management framework are not missed and that recommendations are actioned.

Current Position

8. Table 1 below shows the overall number and risk ratings of all risks recorded on the Ideagen risk management system as of 16 October 2024 compared with 9 September 2024 (the figures last seen by the Committee).

Risk rating (RAG)	October 2024	September 2024	Difference
Red	55	59	-4
Amber	238	235	+3
Green	119	113	+6
Total	412	407	+5

Table 1: October 2024: Overall Risk Numbers by RAG Rating on Ideagen

9. Table 2 below shows the breakdown of the red, amber and green rated risks by risk level as of 16 October 2024 compared with 9 September 2024.

Risk rating	Red		Amber		Green	
	Oct 2024	Sept 2024	Oct 2024	Sept 2024	Oct 2024	Sept 2024
Risk level						
Corporate	6	6	9	9	0	0
Departmental	19	21	88	84	31	25
Service	30	32	141	142	88	88
Total	55	59	238	235	119	113
Difference	-4		+3		+6	

Table 2: October 2024: Breakdown of RAG Risks by Risk Level (no team or PPM risks recorded as of 16 October)

10. There are currently 15 corporate risks on the corporate risk register (6x Red and 9x Amber). Since the last report to the Committee the number of risks has remained the same with one risk score decreasing (see paragraph 11). Attached to this paper at Appendix 1 is the corporate risk register showing the nine risks above appetite.² Corporate risks are being reviewed by CORMG to ensure they accurately reflect the greatest threats and concerns to the City Corporation.

² We are reviewing the reporting of our above appetite risks as part of the risk appetite refresh.

11. The risk score for *CR41 Tree Maintenance* has decreased from Red 32 (Impact 8 Extreme x Likelihood 4 Likely) to Red 16 (Impact 4 Major x Likelihood 3 Possible) reflecting the mitigating actions, including commencement of a programme of works at Epping Forest and a forward plan for the allocation of additional funding. Further consideration about the appropriate management of this risk is ongoing.

12. The RAG matrices below show the distribution of corporate risks as of 16 October 2024 (Table 3) and 9 September 2024 (Table 4):

	Minor	Serious	Major	Extreme
Likely			4	
Possible			8	1
Unlikely			1	1
Rare				

Table 3: October 2024 Corporate Risk Heatmap

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

Table 4: September 2024 Corporate Risk Heatmap

13. The highest scoring corporate risk is CR16 Information Security at Red 24 (Impact 8 Extreme x Likelihood 3 Possible).

14. Table 5 below shows a summary of all CoLC corporate risks as at 16 October 24:














































Risk reference	Title	Current Risk Score	Current risk score icon	Trend Icon	Risk flight path (last 12 assessments)	Risk Creation Date (Ideagen)	Risk Adds to CR Register (year)
CR16	Information Security (formerly CHB IT 030)	24				10 May 2019	Pre-Pentana (2014)
CR36	Protective Security	16				10 January 2022	2022
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)	16				04 November 2019	2022
CR38	Unsustainable Medium-Term Finances - City's Estate	16				31 October 2022	2024
CR40	PSTN Switch Off 2027 (formerly CHB DITS 045)	16				26 February 2024	2023
CR41	Tree Maintenance	16				23 February 2024	2024
CR01	Resilience Risk	12				20 March 2015	Pre-Pentana (2014)
CR02	Loss of Business Support for the City	12				22 September 2014	Pre-Pentana (2014)
CR09	Health, Safety and Fire Risk Management System	12				22 September 2014	Pre-Pentana (2014)
CR29	Information Management	12				08 April 2019	Pre-Pentana (2014)
CR30	Climate Action	12				07 October 2019	2020
CR33	Major Capital Schemes	12				14 February 2020	2020
CR35	Unsustainable Medium-Term Finances - City Fund	12				19 June 2020	2022
CR39	Recruitment and Retention	12				21 February 2023	2023
CR10	Adverse Political Developments	8				22 September 2014	Pre-Pentana (2014)

Table 5: October 2024: List of Current Corporate Risks by Current Risk Score

Red Departmental Risks

15. There are currently 19 departmental red risks. Since the last report to the Committee, two risks have been de-escalated. A summary of the top red departmental risks can be found at Appendix 2.

16. Changes to the register:

Risks de-escalated:

- i) *CJS 004 Failure to Maintain Buildings and Site* has been de-escalated from Red 16 (Impact 4 Major x Likelihood 4 Likely) to Amber 12 (Impact 4 Major x Likelihood 3 Possible) as projects close out and snagging work proceeds at an improved pace.
- ii) *CLSG-07 School facilities* has been de-escalated from Red 24 (Impact 8 Extreme x Likelihood 3 Possible) to Amber 12 (Impact 4 Major x Likelihood 3 Possible) with ongoing meetings with City Surveyor agreed and evidence of medium-term programme control improving. The target risk score has also been reduced from Amber 12 (Impact 4 Major x Likelihood 3 Possible) to Amber 6 (Impact 2 Serious x Likelihood 3 Possible).

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

17. 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 – detailed report above appetite only
- Appendix 2: All Red Departmental Risks – short summary report

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