

City of London Corporation Committee Report

Committee: Community & Children's Services	Dated: 11/11/2024
Subject: Departmental Risk Update	Public report: For Information
This proposal: <ul style="list-style-type: none">• provides business enabling functions	
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
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Summary

This report provides Members with detail of the Department's current risk register and the actions taken in mitigation to reduce those risks.

The Department's approach to risk management was subject to an internal audit that made recommendations to strengthen the departmental application of the City's Risk Management Framework. An improvement plan to address the recommendations has been agreed and will be led by the Department's Leadership Team.

Recommendation

Members are asked to:

- Note the departmental Risk Register
- Note the recommendations of the audit review of risk, and the actions agreed to address them.

Main Report

Background

1. The Department maintains a Risk Register as part of a risk management process by which risks are identified, evaluated and controlled or accepted.
2. The City Corporation's approach to effective risk management seeks to "to improve its performance through increased certainty (finding out as much as we can about what we are doing), fewer surprises (as a result of finding out as much as we can), better service delivery (because we are aware of most of the uncertainties that matter) and avoidance of anything that could damage its reputation and undermine public confidence."
3. The effectiveness of the approach is supported and assessed through a rolling programme of departmental risk management audit reviews. The overall objective of each audit is to evaluate departmental application of the City's Risk Management Framework.

Current Position

4. A summary of departmental risks is found in Appendix 1, and full version in appendix 2. The detailed register sets out the description, rating and target rating for each risks. The actions associated with each risk are detailed.
5. There are twelve current risks on the departmental Risk Register. Two risks have been added in the last two quarters. No risks have been closed in the last quarter.
6. The Department's use of the City's Risk Management Framework has been subject to an internal audit.
7. The objective of the audit was to provide assurance in respect of:
 - Departmental conformance with corporate expectations i.e. the components of the risk management framework, supporting a consistent approach to identifying, mitigating and managing risks.
 - Effectiveness of departmental arrangements for risk administration, including the extent to which 'risk champions' are deployed to support a strong risk culture.
 - Departmental facilitation of effective risk management governance and oversight, including the quality of risk-related reporting to senior management and Members.

- The extent to which departmental risk management arrangements ensure linkage with the delivery of strategic objectives/priorities in the City's Corporate Plan and departmental Business Plans
8. The report of the audit was published on 24 September 2024. Its summary conclusion was:
- Overall, limited assurance is provided in respect of the areas within the scope of audit – in particular, departmental application of the City's Risk Management Framework, including the maintenance and management of risk registers, and the sufficiency of reporting to Members to facilitate effective risk management oversight.*
9. The report is found in Appendix 3. Three recommendations are made:
- I. Roles and responsibilities within the department in respect of risk management administration and determination of risks for inclusion within the risk register should be reviewed for appropriateness, ensuring that assigned staff are well-placed to fulfil these.
 - II. Actions should be formulated to ensure departmental adherence to risk management reporting requirements as set out in the corporate Policy.
 - III. Actions should be formulated to address the detailed Internal Audit findings in respect of risk management and associated root causes.
10. The response to deliver these actions is also set out on pages 7 and 8 of the report. An improvement plan to address these recommendations and deliver the responses given, has been developed and will report to the Departmental Leadership Team.
11. To address the sufficiency of reporting to Members to facilitate effective risk management oversight, the Risk Register will be brought to this Committee Quarterly. Risks that are relevant to specific sub-committees will be discussed at least twice yearly. However some emerging or significant risks may require more frequent discussion at either Grand or Sub Committees.

Corporate & Strategic Implications

Strategic implications

12. Effective risk management is vital to the delivery of the Corporate Plan 2024-2029 outcome of the provision of excellent services.

Financial implications

13. None.

Resource implications

14. None.

Legal implications

15. None.

Risk implications

16. As set out in the report and its appendices.

Equalities implications

17. None.

Climate implications

18. None.

Security implications

19. None.

Conclusion

20. The Department has continued to identify, evaluate, and manage risks through the maintenance of a comprehensive Risk Register. The internal audit highlighted areas for improvement, particularly in the application of the City's Risk Management Framework and the sufficiency of reporting to Members. The Department has developed an improvement plan to address these recommendations, which will be overseen by the Departmental Leadership Team.

Appendices

- Appendix 1 – Summary of Risk Register
- Appendix 2 – Detailed Risk Register
- Appendix 3 – Audit report on departmental risk management

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