

Risk management – Improvement Plan 2013/15

IRR = Independent Review Recommendations (Full list on page 10)

Objectives	Tasks	Approving body	Status / Comments
1. Review risk management governance structures	1.1 Review of risk reporting groups (Separation of strategic decision makers from operational decision makers) (IRR: 31 and 32)	Summit Group	<p>Status: Approved</p> <p>Comment: Chief Officer Summit Group will take over the responsibility of the Strategic Risk Management Core Group, focussing on Corporate risk items for the Corporation, such as deep dive reviews, and High Level risks escalated from Departments.</p> <p>The Strategic Risk Management Wider Group will be renamed as the Risk Management Group and will focus on Operational risk items for the corporation, such as training, departmental risk reviews, promulgation of best practice.</p>
	1.2 Create a clearly defined route of escalation	Summit Group	<p>Status: Awaiting approval</p> <p>Comment: Draft timetable to be reported at the January Summit Group meeting.</p> <p>Committee risk reports will be reviewed by the Summit Group prior to the audit and Risk Management Committee Submission.</p> <p>Risks will be escalated based on priority, determined by the risk score. This is illustrated within the draft risk strategy.</p>
	1.3 Align reporting requirements subject	Summit Group	<p>Status: Awaiting approval</p> <p>Comment: To be reported at the</p>

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	<p style="text-align: center;">to department / section resources</p> <p style="text-align: center;"><i>(IRR: 7 and 22)</i></p>		<p>January's Summit group, as per point 1.2. Departmental risk updates will be requested each quarter and specific risks will be escalated based on priority and/or departmental recommendation.</p>
<p>2. Create a dynamic risk reporting framework</p>	<p>2.1 Improve risk scoring guidance</p> <p style="text-align: center;"><i>(IRR: 5)</i></p>	<p>Summit Group</p>	<p>Status: Being reviewed and scheduled for the March Summit Group Meeting Following approval, this will be reported to the Audit and Risk Management Committee in May.</p> <p>Comment: Risk Scoring guidance has been reviewed in collaboration with the City of London Police's Force risk Manager. Draft document outlining criteria currently being finalised for Summit Group submission.</p>
	<p>2.2 Create a logical and mathematical risk matrix</p> <p style="text-align: center;"><i>(future proofing for risk systems and any mathematical modelling)</i></p> <p style="text-align: center;"><i>(IRR: 10 and 21)</i></p>	<p>Summit Group</p>	<p>Status: Approved</p> <p>Comment: A 4x4 matrix has been agreed and will be introduced alongside the risk management information system post April 2014.</p>
	<p>2.3 Use the scoring mechanism to decide escalation criteria for team, divisional, departmental and</p>	<p>Summit Group</p>	<p>Status: Awaiting approval</p> <p>Comment: To be reported at the January Summit Group. The risk register software will assist in avoiding overlaps between Departmental risks</p>

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	<p style="text-align: center;">corporate risks.</p> <p style="text-align: center;"><i>(IRR: 6, 25 and 29)</i></p>		<p>and Corporate risks.</p> <p>Scoring criteria and escalation of risks has been illustrated within the draft risk management strategy</p>
	<p>2.4 Determine the organisations risk appetite</p> <p style="text-align: center;"><i>(IRR: 8, 19 and 20)</i></p>	Summit Group	<p>Status: To be considered following adoption of the revised Risk Management Handbook (now Risk Management Strategy), scheduled for August 2014</p> <p>Comment: Independent review recommendation to be considered by the Chief Officers as to practical definition of risk appetite parameters in some areas.</p>
3 Improve the content of the risk registers	<p>3.1 Develop categorisation list for risks</p> <p style="text-align: center;"><i>(IRR: 9)</i></p>	Risk management Group	<p>Status: Complete, waiting to be deployed</p> <p>Comment: Risk categorisation list created and will be introduced within the risk register software</p>
	<p>3.2 Introduce control owner</p>	Audit and Risk Management committee	<p>Status: Approved</p> <p>Comment: Risk Supporting statements for Strategic Risks now contain control owners. To be consistently deployed across all risk registers with roll-out of new risk management software from April 2014.</p>
	<p>3.3 Articulate risks in a consistent form</p>	Summit Group	<p>Status: Approved</p>

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	(Cause, Risk, Effect)		<p>Comment: Summit Group approved the revised structure to articulate risks. This has been noted within the draft risk management strategy and will be introduced with the launch of the new risk management software</p>
	3.4 Change focus from Gross risk scores to Target risk scores	Audit and Risk Management Committee	<p>Status: Scheduled for review in March 2014 following selection of the new risk management software.</p> <p>Comment: Discussion to change focus from Gross risk score to Target Risk score has taken place with the risk management group. Further review will take place following implementation of the risk register software.</p>
	3.5 Redesign risk register <i>(IRR:16)</i>	Audit and Risk Management committee	<p>Status: Scheduled for review in May 2014 following launch of the new risk management software.</p> <p>Comment: New system will provide an easier method to create and report risks.</p>
4 Introduce a risk management software	4.1 Identify and review risk systems <i>(IRR: 28)</i>	Risk and Assurance Manager	<p>Status: Complete</p> <p>Comment: Selection of risk systems identified, working closely with our IS department.</p>
	4.2 Demo risk systems	Risk management Group	<p>Status: Being scheduled for end of January 2014.</p> <p>Comment: Demo's will be provided to</p>

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			the Risk management group who will help decide on the best product to use.
	4.3 Phased introduction	Risk management Group	Status: Awaiting software selection. Comment: Plan is for a phased introduction over 3 months to begin in April 2014.
5 Formalise revised framework and processes	5.1 Develop the risk management policy.	Audit and Risk Management Committee	Status: Draft to be reviewed by the Summit Group in January, prior to Audit and Risk Management Committee submission in March. Comment: Included within the draft risk management strategy
	5.2 Develop the risk management Strategy. <i>(IRR: 2, and 3)</i>	Audit and Risk Management Committee	Status: Draft document to be reviewed by the Audit and Risk Management committee in March. Final version to be agreed in May. Comment: Draft document scheduled for the January Summit Group meeting for review.
6 Improve staff skill set and build awareness of risk management	6.1 Revise intranet and internet with relevant risk management information	Risk Management Group	Status: Full review in June 2014 following implementation of new framework and processes (point 5).
	6.2 Create a suite of training tools for staff to access <i>(IRR: 1, 17, 23 and 24)</i>	Risk management Group	Status: Scheduled to complete by September 2014. Comment: Range of training tools to include a risk management toolkit, e-learning module, a small risk guide

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	<p>6.3 Develop communication plan to outline activities to raise awareness</p> <p>(IRR: 35)</p>	<p>Risk management Group</p>	<p>Status: Scheduled for completion in Jun 2014.</p> <p>Comment: The communication plan will include workshops to review/refresh the departmental risk registers and a forward programme of training sessions for risk management, such as training on the new risk management software. The plan will also contain a forward programme of Risk Talks, Newsletters, Briefings, posters and more.</p>
<p>7 Review new framework</p>	<p>7.1 Undertake a Maturity Assessment</p> <p>(IRR: 4 and 30)</p>	<p>Audit and Risk Management Committee</p>	<p>Status: Scheduled to begin by September 2014.</p> <p>Comment: assessment to be undertaken to review our position and compare against the Independent review findings of October 2013.</p>
<p>8 Additional Independent Review Recommendations</p>	<p>8.1 Senior managers should ensure that innovative and considered risk taking is fostered within key projects.</p> <p>(IRR: 18)</p>	<p>Summit Group</p>	<p>Status: Recommendation to be reviewed further with Corporate Project Management team.</p>
	<p>8.2 Audit & Risk Management Committee could be briefed on top</p>	<p>Summit Group</p>	<p>Status: Practical implementation of recommendation to be considered following implementation and roll-out of the Risk Register Software.</p>

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	<p>departmental risks alongside the Strategic Risk Register at periodic intervals.</p> <p><i>(IRR: 26)</i></p>		
	<p>8.3 Undertake more consistent and robust approach to horizon scanning.</p> <p><i>(IRR: 27)</i></p>	Summit Group	Status: To be considered following adoption of new risk management strategy in May 2014.
	<p>8.4 Vital that all changes to service delivery are considered in the context of risk appetite.</p> <p><i>(IRR: 33)</i></p>	Summit Group	Status: Practical implementation of recommendation to be considered following adoption of new risk management strategy in May 2014.
	<p>8.5 Exercise could be undertaken to identify those risks with the potential for reputational impact.</p> <p><i>(IRR: 34)</i></p>	Summit Group	Status: Practical implementation of recommendation to be considered following adoption of new risk management strategy in May 2014.
	<p>8.6 Refresh Strategic risk register</p> <p><i>(IRR: 11, 12, 13, 14, 15 and 35)</i></p>	Audit and Risk Management Committee	<p>Status: Recommendations for the Strategic risk register to be reported at the March Audit and Risk Management Committee</p> <p>Comment: Outcomes of the Risk</p>

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			Workshop under review and will be reported to the Summit Group in January prior to reporting to the Audit and Risk Management Committee.
	8.7 Undertake refresh of departmental risk registers. <i>(IRR: 35)</i>	Audit and Risk Management Committee and Summit Group	Status: Departmental risks will be reviewed post implementation of risk register software.
	8.8 Key policies and strategies should contain risk management consideration. <i>(IRR: 36)</i>	Summit Group	Status: Practical implementation of recommendation to be considered following adoption of new risk management strategy in May 2014.
	8.9 Include risk management as a standing agenda items on relevant committee and management meetings. <i>(IRR: 37)</i>	Summit Group	Status: Practical implementation of recommendation to be considered following adoption of new risk management strategy in May 2014.
	8.10 Consider making risk management part of overall performance and competency reviews. <i>(IRR: 38)</i>	Summit Group	Status: Practical implementation of recommendation to be considered following adoption of new risk management strategy in May 2014.
	8.11 Undertake	Summit Group	Status: Practical implementation of

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	<p style="text-align: center;">assurance mapping exercise to review controls.</p> <p><i>(IRR: 39)</i></p>		<p>recommendation to be considered following adoption of new risk management strategy in May 2014.</p> <p>Comment: Pilot Assurance Mapping exercise underway with City of London Police, further roll-out planned for main departments in 2014/15.</p>
	<p>8.12 Undertake a review of partnership and supply chain risks.</p> <p><i>(IRR: 40)</i></p>	Summit Group	<p>Status: Practical implementation of recommendation to be considered following adoption of new risk management strategy in May 2014.</p>

Independent Review Recommendations

IP = Improvement Plan

Areas	Recommendations	IP
Risk Management Handbook	1 Introduce aide-memoire or fact sheet for practitioners to complement Handbook.	6.2
	2 Add further detail to responsibilities e.g. how the Court of Common Council assumes “overall accountability for risk management.”	5.2
	3 Further define terms e.g. business, strategic and operational risk.	5.2
	4 Clarify risk maturity model including assessment techniques/measurement criteria.	7.1
	5 Review risk scoring matrix impact indicators to ensure that there are no gaps / overlaps	2.1
	6 Identify more two-way processes to encourage open risk communication and identification of departmental issues.	2.3
Risk Improvement Plan	7 Identifies need to “set different reporting guidelines for departments taking into account their current arrangements and resources available” - clarify how this aligns with desire for consistency of approach across departments.	1.3
	8 Identifies need to “determine the risk appetite” - need to set some achievable parameters.	2.4
	9 Refers to putting risks into groups of strategic, operational and corporate risks – distinction between the groups needs to be clarified to avoid overlap.	3.1
	10 Refers to a desire to promote and report opportunity risks - definite appetite for opportunity risk management but other processes need to be embedded as a priority.	2.2
Strategic Risk Register	11 SR 1 Failure to respond to a terrorist attack, SR5 Flooding in the city and SR13 Public Order and Protest focus on ability to respond to a major incident and the controls involve having a robust Business Continuity Plan and Emergency Plan. Consider bringing these risks together into a single risk ‘Ability to respond effectively to a major incident or catastrophe’.	8.6
	12 SR 16 Breach of Data Protection Act. Consider revisiting	8.6

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	the causes and consequences to include human behaviour, social media and cyber risk etc. and in doing so widen heading to 'Managing Information Governance'	
	13 Supply Chain Failure. Increasingly complex procurement and supply chain arrangements.	8.6
	14 Safeguarding. May be relevant in terms of delivery of statutory social care services.	8.6
	15 Business Transformation / Workforce Planning. Resource constraints leading to changes in internal structures and the way that services are delivered.	8.6
	16 SR 8 Negative publicity and damage to the City Corporation's reputation – consider adding further detail around causes or the consequences.	3.3 and 3.5
Departmental Risk Registers	17 Need to ensure all departments understand and embed processes, including the gross and net risk scoring system and gain assurance around the effectiveness of controls and the robustness of identified planned actions.	6.2
Risk Matrix and Risk Appetite	18 Senior managers should ensure that innovative and considered risk taking is fostered within key projects.	8.1
	19 Element of risk appetite identification could be tested, against selected corporate priorities and/or risks. Partial/pilot risk appetite exercise could be developed to facilitate this.	2.4
	20 More comprehensive risk appetite exercise could be undertaken later with perception surveys and/or a facilitated exercise.	2.4
	21 Review of the risk matrix and scoring criteria would be beneficial e.g. 4x4 matrix to ensure all practitioners find it easy to apply.	2.1
Consistency of Approach	22 Undertake formal debate around consistency of approach across departments. Would allow for parameters and exceptions to be identified.	1.3
	23 Develop risk management competency assessment and training programme. Consider further risk identification ("blank paper") exercises.	6.2
	24 Develop simplified risk guide to complement the	6.2

Independent Review Recommendations

	Handbook.	
Reporting and Escalation	25 Defined escalation criteria and process should be simple, clear and understood.	2.3
	26 Audit & Risk Management Committee could be briefed on top departmental risks alongside the Strategic Risk Register at periodic intervals.	8.2
	27 Undertake more consistent and robust approach to horizon scanning.	8.3
	28 Focus of any risk software introduced should be on supporting and enabling risk management.	4.1
	29 Introduce formal process for escalating key project risks on to Departmental and Strategic Risk Registers.	2.3
Risk Management Groups	30 Monitor and review how effectively they support the risk management process.	7.1
	31 Revised Handbook / Strategy should incorporate structure of groups, with roles and reporting lines.	1.1
	32 Consider “critical success factors” within the Groups.	1.1
Reputation Risk	33 Vital that all changes to service delivery are considered in the context of risk appetite.	8.4
	34 Exercise could be undertaken to identify those risks with the potential for reputational impact.	8.5
Added Value and Dynamism	35 Undertake refresh of strategic and departmental risk registers.	6.3, 8.6 and 8.7
	36 Key policies and strategies should contain risk management consideration.	8.8
	37 Include risk management as a standing agenda items on relevant committee and management meetings.	8.9
	38 Consider making risk management part of overall performance and competency reviews.	8.10
	39 Undertake assurance mapping exercise to review controls.	8.11
	40 Undertake a review of partnership and supply chain risks	8.12