

<b>Committee:</b>	<b>Date:</b>
Establishment Committee	4 February 2016
<b>Subject:</b> Comptroller and City Solicitor's Departmental Strategic Risk Management Report (as 31 December 2015)	<b>Public</b>
<b>Report of:</b> Comptroller and City Solicitor	<b>For Information</b>
<b>Report Author:</b> Martin Howe	

### Summary

The purpose of this report is to provide a report on my departmental strategic risks as 31 December 2015.

Risk is reviewed at monthly Senior Management Team meetings and a more in-depth review is undertaken on a quarterly basis.

My current strategic risks are as follows:-

CCS SMT 001– Ability to recruit and retain competent legal staff  
 CCS SMT 002- Loss of Information Assets  
 CCS SMT 003 - Managing Legal Risk  
 CCS SMT 004 - Successful implementation of Oracle OPN  
 CCs SMT 005 - Ability to access critical system at disaster recover site  
 CCS SMT 006 - Timely access to fully functioning office environment in the event of a disaster

It should be noted that risk CCS SMT004 relates to the corporate ERP project (CBIS upgrade and Manhattan replacement project) has been reduced to amber following the successful September and December quarterly billing runs.

### Recommendation

The Committee is recommended to note the report.

### Main Report

#### Background

1. The Audit and Risk Management Committee require departments to maintain a risk register (using the new Covalent risk management system) and provide a quarterly risk management report to their respective committee.

#### Current Position

2. The current position relating to my strategic risks is listed over the page:-

<b>Risk Key</b>	<b>Status</b>	<b>Risk and Commentary</b>
CCS SMT 001	Amber	<p><b>Ability to recruit and retain competent legal staff</b></p> <p>This risk arose out of the need to ensure that high grade legal staff with commercial experience can be recruited. More recently, it has been noted that legal salaries for some London boroughs and counties either match or exceed current COL legal salaries (including Market Forces Supplements).</p> <p>A recent recruitment campaign for a planning lawyer was unsuccessful and HR are assisting with a further recruitment campaign.</p>
CCS SMT 002	Amber	<p><b>Loss of Information Assets</b></p> <p>The C&amp;CS handles high volumes of information. Staff are aware of the need to protect information internally and ensure that hard copy and electronic information shared with external sources is appropriate and secure.</p> <p>All staff have been trained and regular departmental Data Protection audits are completed and will continue in the future.</p>
CCS SMT 003	Amber	<p><b>Managing legal risk</b></p> <p>The department endeavours to maintain high standards in case management, communication and learning and development. The department undergoes an external annual assessment each year which audits the internal procedures and has held the Law Society's quality award LEXCEL since 2005.</p> <p>The case management system provides management reports of high risk matters and managers have close visibility of matters.</p> <p>A Professional Services Protocol was launched in 2014 to set down the responsibilities of clients and our approach to client care.</p> <p>Legal training needs are reviewed on a regular basis to ensure that legal staff are up to date with the law and can meet the expectations of client departments.</p>
CCS SMT 004	Amber	<p><b>Successful Implementation of Oracle OPN</b></p> <p>Oracle OPN is the system which replaces the commercial property management system Manhattan. The project and implementation was complex and very challenging which resulted in the red status in the corporate risk register.</p> <p>Although there are a few defects still to be resolved OPN is now working more consistently and therefore our departmental risk has been reduced to amber.</p>
CCS SMT 005	Amber	<p><b>Ability to access critical system at disaster recover site</b></p> <p>At the last business continuity exercise, in July 2013, the main C&amp;CS critical system was not available to users. This will be tested again at the next exercise.</p> <p>This risk has been transferred to the Chamberlain's IS Division.</p>
CCS SMT 006	Amber	<p><b>Timely access to fully functioning office environment in the event of a disaster</b></p> <p>Following an appraisal of the last business continuity exercise it was unclear whether plans existed to re-establish (at another location) a fully functioning office space in the event of a disaster.</p> <p>This risk has been transferred to the City Surveyor.</p>

## **Conclusion**

3. The Establishment Committee is asked approve this report.

## **Appendices**

- Appendix 1 – Comptroller and City Solicitor’s Strategic Risk Register

## **Martin Howe**

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# CCS Strategic Risk Management Report

Generated on: 19 January 2016 09:41

## Appendix 1



<b>Code</b>	<b>CCS SMT 001</b>	<b>Title</b>	<b>Ability to recruit and retain competent legal staff</b>
<b>Description</b>	Cause - Private sector legal firms can offer higher remuneration packages Event - High turnover of legal staff Effect - Delivery of legal advice and documentation delayed, loss of income, assets exposed to higher risks		
<b>Category</b>	Legal	<b>Approach</b>	Accept (the costs of mitigation out weigh the benefits)
<b>Risk Level</b>	Departmental	<b>Risk Owner</b>	Michael Cogher
<b>Strategic Aim</b>	SA2 - To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.	<b>Key Policy Priority</b>	KPP2 - Maintaining the quality of public services whilst reducing our expenditure an improving our efficiency
<b>Department</b>	Comptroller & City Solicitors	<b>Committee</b>	Establishment Committee
<b>Current Risk Assessment, Score &amp; Trend Comparison</b>		<b>Target Risk Assessment &amp; Score</b>	
<b>Likelihood</b>	Possible	<b>Likelihood</b>	Possible
<b>Impact</b>	Serious	<b>Impact</b>	Serious
<b>Risk Score</b>	6	<b>Risk Score</b>	6
<b>Review Date</b>	18-Jan-2016	<b>Target Date</b>	01-Apr-2016
<b>Latest Note</b>	Recent HR review of Market Forces Supplements indicates that current levels should be maintained Staff are encouraged to take on more challenging work and training is provided. Recent recruitment exercise suggests market is increasingly challenging.		

### Actions related to this risk:

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
C&CS001	Review MFS	MFS will be reviewed by HR at the next corporate review	Michael Cogher	01-Apr-2017	0%	Liaise with HR if MFS requires urgent review
C&CS002	Monitor market conditions	Review workforce reports to monitor staff turnover		31-Mar-2016	0%	Market salaries monitoring is on-going

<b>Code</b>	CCS SMT 002	<b>Title</b>	Loss of Information Assets
<b>Description</b>	Cause - Inadequate checking of content before despatch, lack of adequate supervision, failure to follow agreed procedures Event - Loss of personal data and /or COL hardware Effect - severe financial penalty, reputation damaged, breach of confidentiality		
<b>Category</b>	Financial	<b>Approach</b>	Reduce ( By appropriate remedial action)
<b>Risk Level</b>	Departmental	<b>Risk Owner</b>	Michael Cogher
<b>Strategic Aim</b>	SA2 - To provide moder, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.	<b>Key Policy Priority</b>	KPP2- Maintaining quality of our public services whilst reducing our expenditure and improving our efficiency
<b>Department</b>	Comptroller & City Solicitors	<b>Committee</b>	Establishment Committee
<b>Current Risk Assessment, Score &amp; Trend Comparison</b>			
<b>Target Risk Assessment &amp; Score</b>			
<b>Likelihood</b>	Possible	<b>Likelihood</b>	Unlikely
<b>Impact</b>	Serious	<b>Impact</b>	Serious
<b>Risk Score</b>	6	<b>Risk Score</b>	4
<b>Review Date</b>	18-Jan-2016	<b>Target Date</b>	
<b>Latest Note</b>	Six monthly DPA audits are being carried out		

**Actions related to this risk:**

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
C&CS 002 a1	Carry out periodic DPA audits	Latest DPA audit carried out in November 2015		31-May-2016	100%	Next DPA audit due to take place may 2016

<b>Code</b>	<b>CCS SMT 003</b>	<b>Title</b>	<b>Managing Legal Risk</b>
<b>Description</b>	Cause - Lawyers not up to date with law, poor communication, lack of supervision, agreed procedures not followed, file reviews not completed Event - physical and intellectual property assets at risk, court hearings missed, high risk matters not reported, inadequate advice provided, cases not progressed in a timely fashion Effect - financial penalty, clients loss of confidence in the legal service, reputation		
<b>Category</b>	Legal	<b>Approach</b>	Reduce ( By appropriate remedial action)
<b>Risk Level</b>	Departmental	<b>Risk Owner</b>	Michael Cogher
<b>Strategic Aim</b>	SA2 -To provide moder, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.	<b>Key Policy Priority</b>	KPP2- Maintaining quality of our public services whilst reducing our expenditure and improving our efficiency
<b>Department</b>	Comptroller & City Solicitors	<b>Committee</b>	Establishment Committee
<b>Current Risk Assessment, Score &amp; Trend Comparison</b>		<b>Target Risk Assessment &amp; Score</b>	
<b>Likelihood</b>	Possible	<b>Likelihood</b>	Unlikely
<b>Impact</b>	Serious	<b>Impact</b>	Serious
<b>Risk Score</b>	6	<b>Risk Score</b>	4
<b>Review Date</b>	18-Jan-2016	<b>Target Date</b>	
<b>Latest Note</b>			

**Actions related to this risk:**

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
C&CS003 a	Staff undertake regular risk reviews	Each matter is risk assessed on receipt and made as high risk where appropriate	Michael Cogher	31-Mar-2016	100%	Risk reviewed by SMT 31/12/2015
C&CS003 b	SMT reviews risk data quarterly	SMT reviews quarterly legal risk and performance data to ensure legal matters are progressed in a timely fashion	Michael Cogher	31-Mar-2016	100%	SMT reviewed risks on 31/12/2015
C&CS003 c	DMT review monthly High Risk reports	SMT reviews high risk reports and agrees future strategy	Michael Cogher	31-Mar-2016	100%	SMT reviewed risks on 31/12/2015

<b>Code</b>	CCS SMT 004	<b>Title</b>	Successful implementation of Oracle OPN
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<b>Description</b>	<p><b>Cause</b> - Oracle OPN is replacing the Manhattan commercial property management and rent system</p> <p><b>Event</b> - Implementation of new system</p> <p><b>Effect</b> - If the application does not function as planned and/or the data migrated from Manhattan is of poor quality there is a risk that commercial income will not be invoiced on the due dates.</p>
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<b>Category</b>	Financial	<b>Approach</b>	Transfer (To a third party or insurer)
<b>Risk Level</b>	Departmental	<b>Risk Owner</b>	Martin Howe

<b>Strategic Aim</b>	SA2 -To provide moder, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.	<b>Key Policy Priority</b>	KPP2- Maintaining quality of our public services whilst reducing our expenditure and improving our efficiency
<b>Department</b>	Comptroller & City Solicitors	<b>Committee</b>	Establishment Committee

<b>Current Risk Assessment, Score &amp; Trend Comparison</b>	
<b>Likelihood</b>	Unlikely
<b>Impact</b>	Major
<b>Risk Score</b>	8
<b>Review Date</b>	18-Jan-2016

<b>Target Risk Assessment &amp; Score</b>	
<b>Likelihood</b>	Unlikely
<b>Impact</b>	Serious
<b>Risk Score</b>	4
<b>Target Date</b>	01-Oct-2015

<b>Latest Note</b>	2nd quarterly billing run was completed successfully on 14 September 2015.
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**Actions related to this risk:**

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
C&CS SMT	Migrated data needs significant cleansing	Migrated data was poor in quality and impacted on accurate billing	Martin Howe	31-Mar-2016	100%	Some data is being reprocessed to ensure that accurate OPN

004a		and reporting				reports are published
C&CS SMT 004b	Adjust migrated accounts to ensure accurate billing	Certain billing information requires changing to ensure that accounts are billed in accordance with the legal agreements	Martin Howe	01-Oct-2015	100%	Billing adjustments are continuing as issues arise
C&CS SMT 004c	Document procedures to generate knowldge base	Very little documentation exists as user manuals. New documentation needs to be produced to act as a definitive user guide and single reference point	Martin Howe	31-Mar-2016	75%	First draft of documentation has been completed. Further information will be added as further processes are confirmed.

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<b>Code</b>	CCS SMT 005	<b>Title</b>	Ability to access critical system at disaster recovery site
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<b>Description</b>	Cause - critical system (KMX) was not available during last business continuity exercise Event - KMX was not working in the Recovery Suite and critical information about the status of matters and records could not be accessed Effect - Unable to identify current legal work and access key legal documents		
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<b>Category</b>	Legal	<b>Approach</b>	Transfer (To a third party or insurer)
<b>Risk Level</b>	Departmental	<b>Risk Owner</b>	Graham Bell

<b>Strategic Aim</b>	SA2 -To provide moder, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.	<b>Key Policy Priority</b>	KPP2- Maintaining quality of our public services whilst reducing our expenditure and improving our efficiency
<b>Department</b>	Comptroller & City Solicitors	<b>Committee</b>	Establishment Committee

<b>Current Risk Assessment, Score &amp; Trend Comparison</b>	 Likelihood Impact 6 ↔ No change	<b>Target Risk Assessment &amp; Score</b>	 Likelihood Impact 2
<b>Likelihood</b>	Possible	<b>Likelihood</b>	Rare
<b>Impact</b>	Serious	<b>Impact</b>	Serious
<b>Risk Score</b>	6	<b>Risk Score</b>	2
<b>Review Date</b>	18-Jan-2016	<b>Target Date</b>	04-Mar-2016
<b>Latest Note</b>	Awaiting next business continuity exercise to test critical system		

**Actions related to this risk:**

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
C&CS 005a	Chamberlains IS Division must provide access at the next BC test	The Chamberlains IS Division must provide access to critical systems at business continuity exercises	Martin Howe	31-Mar-2016	0%	still awaiting next business continuity exercise to test critical application

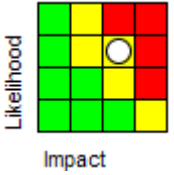
<b>Code</b>	CCS SMT 006
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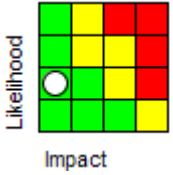
<b>Title</b>	Timely access to fully functioning office environment in the event of displacement
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<b>Description</b>	Cause - Disaster resulting in inability to use the North Block Event - immediate inability to continue to use the North Block as offices Effect - legal work would not be progressed or completed, delays for clients and delivery of projects and other services
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<b>Category</b>	Legal
<b>Risk Level</b>	Departmental

<b>Approach</b>	Transfer (To a third party or insurer)
<b>Risk Owner</b>	Peter Bennett

<b>Strategic Aim</b>	SA2 -To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.
<b>Department</b>	Comptroller & City Solicitors
<b>Current Risk Assessment, Score &amp; Trend Comparison</b>	 <span style="margin-left: 20px;">12</span> <span style="margin-left: 10px;">↔</span> <span style="margin-left: 10px;">No change</span>
<b>Likelihood</b>	Possible
<b>Impact</b>	Major
<b>Risk Score</b>	12
<b>Review Date</b>	18-Jan-2016
<b>Latest Note</b>	

<b>Key Policy Priority</b>	KPP2- Maintaining quality of our public services whilst reducing our expenditure and improving our efficiency
<b>Committee</b>	Establishment Committee
<b>Target Risk Assessment &amp; Score</b>	 <span style="margin-left: 20px;">2</span>
<b>Likelihood</b>	Unlikely
<b>Impact</b>	Minor
<b>Risk Score</b>	2
<b>Target Date</b>	

**Actions related to this risk:**

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
C&CS SMT 006a	A published strategy or plan needs to be agreed	The CO requires a tested plan/strategy that would enable departments to move to alternative office accommodation in a timely fashion in the event that the North Wing is out of action	Michael Cogher	01-Apr-2015	0%	No change.