

<b>Committee:</b>	<b>Date:</b>
Audit and Risk Management	8 March 2016
<b>Subject:</b> Corporate Risk Register Review	Public
<b>Report of:</b> Chamberlain <b>Report author:</b> Paul Dudley	<b>For Information</b>
<b><u>Summary</u></b>	
<p>This report provides the Audit and Risk Management Committee with an update on the corporate and the top red departmental risk registers following the review by the Chief Officer Risk Management Group (CORMG), on 29 January 2016.</p> <p>There are currently 11 corporate risks on the corporate risk register (no change in the number of risks from December 2015). All corporate risks have been reviewed and updated. Two risks (CR 01 Resilience) and (CR16 Information Security) have shown an increase in risk scores. All other risk scores remain the same.</p> <p>CORMG, at their meeting on the 29 January 2016, considered a risk on contract management but agreed to not to recommend this risk for inclusion on to the corporate risk register at this time. It will however feature in the Chamberlain's departmental risk register.</p> <p>There have been changes to the composition of the top red departmental risk registers with the number of risks increasing from 11 to 12 since the December 2015 report.</p> <p>A total of 236 risks (as at 27 January 2016) have been identified by departments providing a wide range of risks that may affect service delivery. Departments have used the Corporation's Risk Management Strategy (May 2014) to ensure a consistent approach to the way risks are described and scored.</p> <p><b>Recommendation</b></p> <p>Members are asked to note the corporate risk register and the changes to the composition of the top red departmental risk register.</p>	

## **1.0 Background**

- 1.1 The corporate risk register was last reviewed by CORMG on 29 January 2016 and the Summit Group on 17 February 2016.
- 1.2 In accordance with the established risk framework, each risk has been reviewed (and where appropriate risk descriptions revised) by the responsible risk owner and departmental management teams.

- 1.3 A wide range of risks have been identified by departments (236 risks as at 27 January 2015) comprising of 29 red, 137 amber and 70 green risks. All risks are recorded on Covalent – the risk management information system. Departments have used the Corporation’s Risk Management Strategy (May 2014) to ensure that there is a consistent approach to the way risks are described and scored. Of the 236 total, there are 11 corporate and 12 top red departmental risks. Attached as appendix 1 is the corporate risk matrix which illustrates the likelihood and impact ratings as well as the definitions for red, amber and green risks.
- 1.4 The corporate risk register is attached as appendix 2 (providing details of each risk, a brief update, where appropriate a target risk date, mitigations) and a summary of the top red departmental risk register is attached as appendix 3.

## 2.0 Corporate risk register

- 2.1 There are currently 11 corporate risks (four red, six amber and one green risk).

Table 1 below – List of corporate risks as at **3 February 2016** (Risk score order)

Risk no	Risk title	Risk rating	Current Risk score	Change in risk score
CR11	Hampstead Heath Ponds	Red	16	↔
CR 19	IT Service Provision – Police and Corporation IT Service	Red	16	↔
CR20	Road Safety	Red	16	↔
CR21	Air Quality	Red	16	↔
CR09	Health and Safety Risk	Amber	12	↔
CR01	Resilience Risk	Amber	12	↑
CR02	Loss of Business Support for the City	Amber	8	↔
CR10	Adverse Political Developments	Amber	8	↔
CR17	Safeguarding	Amber	8	↔
CR14	Funding Reduction	Amber	6	↔
CR16	Information Security	Amber	6	↑

- 2.2 Two risks have shown an increase since the last report to the Summit Group in December 2015:

- CR 01 (Resilience).** Re-rated from a risk score of 8 (amber) to 12 (amber). This change has been made following a review of the robustness of the Corporation’s business continuity plans (BCP) and the IT network assumptions on which some actions in the BCPs are based. However work is progressing to improve the resilience of the network.
- CR16 (Information Security).** Re-rated from a green 4 to and amber 6. Further work is required to strengthen data retention and ownership procedures in line with Data Protection requirements.

All other corporate risk scores remain unchanged.

### **Proposed corporate risk – Corporate Contract Management**

- 2.3 CORMG, at their meeting on 29 January 2016, considered the following risk for possible recommendation to the Summit Group for inclusion in the corporate risk register.

***Cause:** CoL has no corporate contract management policy or procedures*

***Event:** Strategic corporate contracts will fail to be monitored and managed in a consistent and planned manner.*

***Effect:** Corporate contracts not delivering the commercial benefits and quality expected at contract letting, together with escalating prices and scope creep.*

However, CORMG, agreed that, at this time, it should feature in the Chamberlain's departmental but not corporate risk register, given the positive set of actions emerging from the cross cutting review on contract management, approved by Summit, and to be considered by Members in February 2016.

### **3.0 Top departmental red risks**

- 3.1 There are currently 12 Top departmental red risks - an increase of one risk since the December 2015 report. Five new risks have been added whilst four risks have been removed from this register since the last report. The new risks have been highlighted in the top red departmental risk register attached as appendix 3. Of the four risks removed from this register two remain at departmental level as amber risks and two have been allocated for management at service level. These risks are listed below:

1. **MCP SM-001 HGV Unloading** – Re-rated as amber risk but remains at departmental level. (This risk has been reviewed and moved from Red to Amber following the installation of a number of physical safety devices at the loading docks and the implementation of an action plan developed jointly by the Freight Transport Association, City of London staff, and consulted upon with market tenants)
2. **MCP-NS 001 Workplace traffic management** - Re-rated as amber risk but remains at departmental level. (*This risk has been reviewed following the implementation of a new action plan, developed jointly by Labyrinth and City of London staff, and consulted upon with market tenants. The City's short term actions have been completed thereby reducing this risk and agreement has been reached with the SpMTA over timescales for implementing the medium and long term actions which it is envisaged will reduce this risk further*)
3. **OSD EF008 Invasive Non Native Species** – de-escalated to service level.
4. **OSD NLOS 007 Hampstead Heath Bathing ponds** (a different risk to the corporate risk). De-escalated to service level.

- 3.2 The highest top red risk is DCCS PE 002 Failure to deliver expansion of Sir John Cass Foundation Primary School to 2 form entry in September 2016, which has a score of 24.

- **DCCS PE 002** – Failure to deliver the expansion of Sir John Cass’s Foundation Primary School. The legal process continues, and to mitigate against this risk in the short term, officers have asked the governing body of the school to operate a bulge Reception class in September 2016 should the applications received evidence the demand, as a result of the changes in the School’s admission criteria.

All other red risks are scored at 16.

#### **4.0 Conclusion**

- 4.1 The Corporate risk register continues to be actively reviewed and updated by risk owners in line with the requirements stipulated by the Risk Management Strategy. CORMG provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate risks are appropriate and being actively managed.

#### **Appendices:**

**APPENDIX 1** – Corporate Risk Matrix

**APPENDIX 2** – Corporate risk register

**APPENDIX 3** – Top Red departmental risk register

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