

Committee(s)	Dated:
Audit and Risk Management Committee	14 June 2016
Subject: Risk Management Update	Public
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Summary

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 25 April 2016 and Summit Group on 16 May 2016.

There are currently 11 corporate risks on the corporate risk register (no change to the number of corporate risks as reported on 8 March 2016). All corporate risks have been reviewed and updated. One corporate risk (CR16 Information Security) has shown an increase in risk score. All other risk scores remain the same.

The top red departmental risk register has been reviewed and updated. The number of risks recorded on this register has decreased from 12 to nine since the 8 March 2016 report.

A total of 272 risks (as at 25 April 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.

Recommendation

Members are asked to note the corporate risk register and the changes to the composition of the top red departmental risk register.

1.0 Background

- 1.1 The corporate and top red departmental risk registers were last reviewed by CORMG on 25 April 2016 and the Summit Group on 16 May 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 total of 272 wide ranging risks have been identified by departments comprising of 23 red, 144 amber and 105 green risks. This compares with total of 236 risks in February 2016 which included 29 Red, 137 amber and 70 green risks. The increase in the total number of risks is partly due to a few departments transferring risks that were previously recorded on excel spreadsheets on to Covalent – the risk management information system.

- 1.4 Of the 272 total number of risks, there are 11 corporate and nine top red departmental risks. There are another 86 amber and 59 green risks recorded at departmental level. The remaining 107 risks are at service/team levels.
- 1.5 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. 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.
- 1.6 The corporate risk register is attached as appendix 2 (providing details of each risk, a brief update, where appropriate a target risk date and 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 and seven amber risks)
Table 1 below – List of corporate risks as at 25 April 2016 (Risk score order)

Risk no	Risk title	Risk rating	Current Risk score	Risk score change
CR11	Hampstead Heath Ponds	Red	16	↔
CR 19	IT Service Provision	Red	16	↔
CR20	Road Safety	Red	16	↔
CR21	Air Quality	Red	16	↔
CR09	Health and Safety Risk	Amber	12	↔
CR01	Resilience Risk	Amber	12	↔
CR16	Information Security	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	↔

- 2.2 One corporate risk has shown an increase in risk score since the last report to the Committee on 8 March 2016:

CR16 (Information Security). This risk was re-rated from an amber 6 to and amber 12 in April 2016. It was increased following a recent Malware incident, although its impact was restricted to a small number of files and users. A paper outlining wider approach to information governance and security was approved by Summit Group in April 2016. Recommended engagement with Chief Officers commenced in April 2016 to develop a programme of activity spanning policy agreement, information asset register and owners, and further work to be done with departments.

All other corporate risk scores remain unchanged.

3.0 Top departmental red risks

- 3.1 There are currently nine top departmental red risks - a decrease of three risks since the 8 March 2016 report. Four risks have been removed from the register as they have been re-rated as amber departmental risks whilst one new risk has been added:

- DCCS PE 004 Pupil funding - introduction of new formulae may reduce levels of funding from 2017/18.

This risk has been highlighted as a “new risk” in the top red departmental risk register, attached as appendix 3.

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

DCCS PE 002 – Failure to deliver the expansion of Sir John Cass’s Foundation Primary School. Although agreement has now been reached to operate a bulge class in September 2016, the City Corporation is still seeking a permanent expansion to a two form entry. The risk remains at RED as negotiations are continuing and the target date for the resolution to this risk has been changed to September 2017. City Corporation representatives will be attending the Sir John Cass's Foundation Board meeting on 8 June to discuss this issue further. The risk rating will be reviewed in the light of the outcome of the meeting.

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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