Committee(s)	Dated: 29 May 2018
Audit and Risk Management Committee	
Subject: Risk Management Update	Public
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Summary

This report provides the Committee with an update on the corporate and top red departmental risk registers following the review by the Chief Officer Risk Management Group (CORMG) on 21 March 2018 and Summit Group on 25 April 2018.

There are currently 13 corporate risks (12 in January 2017) included on the corporate risk register.

The additional risk is CR25 GDPR ,approved by the Summit Group in December 2017 and endorsed by the Audit and Risk Management Committee in January 2018.

There have been no changes in corporate risk scores or target scores since the last risk update report in January 2018. However the CR19 IT Service provison risk was re-rated from red 16 to and amber 12 on 15 December 2017 – just before the January 2018 report.

There are three corporate risks with approaching target dates which are CR16 Information Security,CR19 IT Service Provision and CR25 GDPR . The first two corporate risks are on track to achieve their target dates whilst the CR25 GDPR target date is likely to be amended as the GDPR project will continue to embed compliance and run until 31 December 2018. An audit on GDPR compliance is currently being undertaken by Mazars and may make recommendations for further actions to be followed through until December 2018, subject to the outcome of the Mazar's audit this risk might be identified as a departmental level risk post end of May 2018.

The total number of top departmental red risks is 9 (11 in January 2018) with four risks being removed and two risks being added to this register.

A total of 310 risks (317 as at January 2018) 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 to ensure a consistent approach to the way risks are described and scored.

To ensure that the City Corporation's corporate risks are aligned to the new Corporate Plan (and to identify any new risks), a corporate risk profiling exercise has been commissioned and is being undertaken by David Forster, Head of Risk with Zurich Municipal. The exercise is due to conclude in June/July 2018. The results of the exercise will be reported to the Committee in September (or in July if the revised corporate risk register is available sooner).

Recommendation

The Committee is asked to note the report.

Main Report

Background

1   The corporate risk register was last reviewed by the CORMG on 21 March 2018 and Summit Group on 25 April 2018.

2   In accordance with the established risk framework, each risk has been reviewed and where appropriate updated by the responsible risk owner and departmental management teams.

3   A total of 310 wide ranging risks have been identified by departments comprising of 28 red, 172 amber and 110 green risks. This compares with total of the 317 risks in January 2018 which included 29 red, 174 amber and 114 green risks.

4   Of the 310 total risks, there are 13 corporate, and 9 top red departmental level risks. There are another 72 amber and 39 green risks recorded at departmental level. The remaining 177 are recorded as either service, team or project level risks.

5   Departments have used the City Corporation's Risk Management Strategy 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.

Corporate risk register

6   There are currently 13 corporate risks (Six red and seven amber risks). One new risk (CR25 GDPR) was accepted on to the corporate risk register by Summit Group in December 2017 and endorsed by the Audit and Risk Management Committee in January 2018. The corporate risk scores have not shown any changes since their last assessments although it should be noted that CR19 IT Service provison risk was re-rated from red 16 to and amber 12 on 15 December 2017 – just prior to the January 2018 report.   . A copy of the corporate risk register is attached as appendix 2.

7   Table 1 below – List of current corporate risks as at 4 May 2018 in risk score order.

Code	Title	Status	Risk Score	Risk score change
CR24	Operational Security	Red	24	▬
CR02	Loss of Business Support for the City	Red	16	▬
CR16	Information Security	Red	16	▬
CR21	Air Quality	Red	16	▬
CR22	Barbican Centre Fire Risk	Red	16	▬
CR23	Police Funding	Red	16	▬
CR01	Resilience Risk	Amber	12	▬
CR09	Health and Safety Risk	Amber	12	▬
CR19	IT Service Provision	Amber	12	▬
CR20	Road Safety	Amber	12	▬
CR25	GDPR	Amber	12	▬
CR10	Adverse Political Developments	Amber	8	▬
CR17	Safeguarding	Amber	8	▬

8   The corporate risks with the highest impact rating (Extreme) are CR24 Operational Security, CR 22 Barbican Centre Fire, CR10 Adverse Political Developments and CR17 Safeguarding. The risks with the highest likelihood ratings (Likely) are CR02 Loss of Business Support for the City, CR16 Information Security, CR21 Air Quality and CR20 Police Funding.

Corporate risk ratings and target dates

9   Out of the thirteen corporate risks , there are five risks which have annual target dates and relate to long term risks which the City Corporation has by virtue of its functions. These are:

- CR01 Resilience risk
- CR02 Loss of Business Support for the City
- CR09 Health and Safety
- CR10 Adverse political developments
- CR17 Safeguarding

The other eight risks relate to specific, and usually significant operational risks. They have target dates when the risk scores should be achieved.

10   Below is a table showing target risk dates of three corporate risks which are nearing completion.(Target risk dates completing between 1 May 2018 to 28 September 2018)

Code	Title	Current Risk Score	Target Risk Score	Target Risk Date
CR25	GDPR Project	12 (Amber)	4 (Green)	18-May-2018
CR16	Information Security	16 (Red)	8 (Amber)	30-Jun-2018
CR19	IT Service Provision	12 (Amber)	4 (Green)	30-Jun-2018

The CR25 GDPR target date is likely to be amended as the GDPR project will continue to embed compliance and will run until 31 December 2018. An audit on GDPR compliance is currently being undertaken by Mazars and may make recommendations for further actions to be followed through until December 2018, subject to the outcome of the Mazar's audit this risk might be identified as a departmental level risk post end of May 2018.

The Chamberlain has previously reported to the Committee on the progress being made to mitigate CR16 and CR19 and it is anticipated that target dates for both these risks will be achieved as stated.

Top departmental red risks
11   There are currently 9 top departmental red risks (11 in January 2018). The following changes have been made to the top red departmental risk register since January 2018. (see appendix 3):

Risks removed:

1. BBC Arts 011 Concert Hall Stage Riser system
2. CLF 08 Breach of Regulation
3. MCP SM 001 HGV Unloading operations
4. DCCS ED 01 - Failure to deliver City of London Academy expansion programme

Risk added:
5. MAN.CCC 001 Fire safety. (Risk score 24)
6. SUR SMT 008 City Bridges substantial vessel strikes (Risk score 16)

Review of the Corporate risk register
12   To ensure that the City Corporation's corporate risks are aligned to the new Corporate Plan (and to identify any new risks), a corporate risk profiling exercse has been commissioned and is being undertaken by David Forster, Head of Risk with Zurich Municipal. The exercise involves interviews with Chairman of Policy and Resources, Finance and the Audit and Risk Management Committees and with most Chief Officers. The results of this exercise are due to be reported and discussed at the Chief Officers Group (COG) to be held on 14 June 2018. Further work is then likely to be required to draft new corporate risks and rework existing risks. A revised risk register will be reported to the Audit and Risk Management Committee in September 2018 (or in July if the revised corporate risk register is available sooner) .

Conclusion

13   The corporate and top red departmental risk registers were reviewed by CORMG (21 March 2018) and Summit Group on 25 April 2018. The CORMG provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate and top red departmental 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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