

AUDIT COMMITTEE

26 JULY 2018

REPORT OF DEPUTY CHIEF EXECUTIVE

A.3 CORPORATE RISK UPDATE

(Report prepared by Clare Lewis)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Audit Committee the updated Corporate Risk Register.

EXECUTIVE SUMMARY

- The Corporate Risk Register is regularly updated and presented to the Audit Committee every 6 months.
- The following table summarises the position at the end of the period under review with updated information provided within the register where necessary:

Item	Number
New Risks Identified	1
Risks Removed	0
Risk Score Amended	2
Risks Under Review	0
Risks Amended	6

RECOMMENDATION(S)

That the Audit Committee notes the updates provided to the current Corporate Risk Register.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Risk assessment, monitoring and control forms the central tool for managing the strategic risks that may prevent the Council from achieving the corporate priorities as identified in the Corporate Plan and associated corporate goals.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The risk management approach can be delivered within existing budgets.

Risk

The subject of risk and its management by the Council is set out in the main body of this report.

LEGAL

There are no specific legal implications.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no other direct implications.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Corporate Risk Register was last presented to the Committee in January 2018.

The Terms of Reference for the Audit Committee include a responsibility to provide independent assurance of the adequacy of the risk management framework and the associated control environment. The Corporate Risk Register is therefore brought to the Committee at six monthly intervals to enable the Committee to fulfil its role.

CURRENT POSITION

Corporate Risk Management Framework

Although no changes have been identified as being required at this time, the framework is included at **Appendix A** for information only.

Corporate Risk Register

Since the Corporate Risk Register was reported to the Audit Committee in January 2018, one new risk has been identified. For completeness, the following table sets out all amendments to the Risk Register since it was last considered by the Committee.

Risk Register Item	Amendments / Comments
New Risks Identified	1d – Ineffective Cyber Security Physical and Application (software) Based Protection Management
Risks Removed	None
Residual Risk Scores Amended	2d – Building Council Homes (score reduced from 8 to 4) that reflects advantageous changes to the financial framework the Council works within. 2h – Essex Family / Family Solutions (score reduced from 15 to 5) To reflect that the Family Support Worker post has now been moved over onto the

	Council establishment, which significantly reduces the risk.
Risk under review	None
Risks Amended	<p>1a – Failure to effectively manage assets – Note added to reflect the transformation project. A separate risk assessment is in place.</p> <p>1b - Catastrophic IT network failure – Changes made to the wording on the control section and the wording changed on the warning indicator to reflect the most up to date position.</p> <p>1c - Ineffective communication / management of information - Changes made to the risk details provided and to the control section/warning indicators and target review date reviewed, which provides an update on the actions taken relating to the roll out of IDOX – document imaging system, across TDC.</p> <p>2d - Building Council Homes – Changes made to the control section to reflect changes to the Government policy in respect of HRA borrowing headroom.</p> <p>2h Essex Family / Family Solutions – Changes made to the control section as the Family Support Worker post has now been moved over onto the Council establishment, which reduces the risk.</p> <p>5a- Financial Strategy – Additional wording provided within the control section relating to the potential to revert back to the traditional / short term approach to the budget if the long term plans does not deliver its intended outcomes.</p>

During 2017/18 a review was carried out by the Councils internal audit team relating to risk Management. The following table sets out the recommendations identified and the current position against each action:

Agreed Action	Current Position
<p>Management Team to promote the importance of operational risk management within the organisation and ensure that Senior Managers implement a process for identifying and mitigating risks in coordination with the Corporate Fraud and Risk Manager.</p> <p>One to one meetings will continue to take place between Senior Managers and the Corporate Fraud and Risk Manager to identify and record key operational risks within their service areas. Support to be provided by Internal Audit if required.</p>	<p>Management Team are currently working with the Fraud and Risk Manager to effectively promote the importance of operational risk management within the Council. The Corporate Fraud and Risk Manager will be attending Management Team meetings on a quarterly basis and provide monthly updates.</p> <p>One to one meetings have started to be carried out with senior managers and reviews of the Council's departmental risk registers are being undertaken.</p> <p>Any gaps identified will be included in the next corporate risk register update.</p> <p>Update to be provided at the January 2019 meeting of the Committee.</p>
<p>Once all departmental risk registers are implemented, the Corporate Fraud and Risk Manager is to embed a quality control process for monitoring business risks and verifying the recorded mitigating controls. This should involve process walkthrough's, reviews of supporting documentation and assessments of target dates / resources required to implement controls</p>	<p>The Corporate Fraud and Risk Manager have arranged one to one meetings with senior managers to discuss business risks, once identified the findings will be reviewed on a more regular basis.</p> <p>Update to be provided at the January 2019 meeting of the Committee.</p>

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Risk Management Framework

Appendix B – Corporate Risk Register