

AUDIT COMMITTEE

31 MARCH 2022

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.5 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 normally updated and presented to the Audit Committee every 6 months. The report was last presented in September 2021.
- 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	0
Risks Removed	0
Risk Score Amended	1
Risks Under Review	0
Risks Amended	9

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 September 2021.

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 where possible 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. A review of the framework has unfortunately been delayed and will be reported to Audit Committee in September 2022.

TDC is less impacted by COVID related matters across the whole organization, a review of lessons learnt relating to COVID 19 is currently underway by the Internal Audit Manager as well as being considered in all ongoing pieces of work and will be brought before the Audit Committee at a later meeting. This is not reflected in the Risk Register itself so we do not lose sight of the risk registers purpose.

The below table sets out all amendments to the Risk Register since it was last considered by the Committee in September 2021.

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	Item 6b - Disconnection from PSN Network – inherent risk score reduced from 20 to 12, due to end of lifecycle.
Risk under review	None
Risks Amended	Item 1a - Failure to effectively manage assets – update on main text. Item 1b - Catastrophic IT network failure – change in service

	<p>delivery target, increased from 85% to 90%.</p> <p>Item 1c - Ineffective communication / management of information – update on main wording relating to cybersecurity.</p> <p>Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management – updates to main wording relating to cyber security initiatives.</p> <p>Item 2d - Ineffective delivery of Transforming Tending project – update on main wording relating to main office site work being completed.</p> <p>Item 5a - Financial Strategy – Current action wording updated</p> <p>Item 6b - Disconnection from PSN Network - change in wording to reflect the inherent risk being reduced. End of lifecycle.</p> <p>Item 9a - Ineffective Emergency Planning – change to main wording and change of responsible officer.</p> <p>Item 9b - Ineffective Business Continuity Planning – update to main text.</p>
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At its meeting in September 2021, the following two further potential emerging risks were highlighted to the Committee:

- Shortage of Global Supplies
- Failure to Deliver Key Contracts

In terms of the second point, a report is set out elsewhere on the agenda in respect of the Careline Service.

In terms of the first point, this continues to present a significant risk, especially in respect of computer processing chips and the impact from on-going global events. However as set out in the report in September, this continues to be managed via earlier procurement planning and remaining alert to market conditions.

The Fraud and Risk Team continue to oversee the Council’s Risk Management supported by the Council’s Internal Audit Team. The table sets out the work currently being undertaken.

Agreed Action	Current Position
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.	The Fraud and Risk Manager continues to work with Management Team to effectively promote the importance of operational risk management within the Council, and continues to attend management team meetings (via Teams) on a quarterly basis and provides monthly updates for any urgent matters identified.

<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>These one to one meetings have commenced, but have not been fully completed due to time constraints and officers prior commitments. This matter will be reported to Audit Committee at a later meeting.</p>
<p>Follow up item</p>	
<p>Arrange Risk Management training for all departments across the council</p>	<p>Risk Management training was carried out by the Fraud and Risk Manager in October 2021. This training was not suitable to be rolled out to all departments and alternative training is currently being negotiated with a Risk Management provider that will meet the council's requirements, with a view to rolling this out in 2022.</p>
<p>Review carried out relating to the effectiveness of the current control measures in place to identify inherent risk.</p>	<p>This review is still ongoing and a report will be brought before the Audit Committee at a later meeting.</p>

<p>BACKGROUND PAPERS FOR THE DECISION</p>
<p>None</p>

<p>APPENDICES</p>
<p>Appendix A – Risk Management Framework Appendix B – Corporate Risk Register</p>