AUDIT COMMITTEE

29 September 2022

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 and updated Risk Management Framework.

EXECUTIVE SUMMARY
• The Corporate Risk Register is normally updated and presented to the Audit Committee every 6 months. The report was last presented in March 2022. • 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	2
Risks Under Review	0
Risks Amended	17

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 March 2022. 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** following a recent review and is for information only. A Covid 19 element now forms part of all ongoing audits. A review of these findings will be provided at a later meeting by the Internal Audit Manager. A full review of the corporate risks within this document has been conducted by the Assurance and Resilience Manager (formally the Fraud and Risk manager) with a view to ensuring that the council are considering the correct items. A review of the council's Business Impact Assessments is currently being undertaken by the Assurance and Resilience Manager. This is to ensure the council identify the operational and financial impacts resulting from any potential disruption of business functions and processes and considers how the council can recover and continue to provide a service to our residents. A more detailed update will be provided at a later audit committee. The council are dealing with some ongoing issues relating to Corporate IT that still need to be resolved but these are moving forward at a reasonable pace, and this is to ensure the council are not put at risk of cyber attack and are geared towards identifying the weaknesses throughout the authority which could make the council vulnerable to cyber attacks and held for ransom by any attackers. This includes stopping staff accessing TDC emails on their personal devices. The council are currently experiencing some difficulties in recruiting in some areas of the council. The risk score has been increased to reflect this. It is hoped that this will be resolved in the next 6 months, an update will be provided at the next audit committee. Given the various issues that continue to emerge from major changes / events within the national and global 'landscape', it is timely to undertake a wider review of the Corporate Risk Register heading into 2023/24. This will be undertaken by Senior Officers in consultation with Members / Audit Committee over the coming months. The changes to the

Corporate Risk Register set out in this report therefore reflect a limited number of changes since the Committee last considered the register in March.

The below table sets out **all** amendments to the Risk Register since it was last considered by the Committee in March 2022.

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	**Item 4a – Loss of Key Staff –** residual and inherent risk changed from 12 to 16. Due to the difficulties in council recruiting. **Item 4b – Lack of Capacity to deliver core services -** residual and inherent risk changed from 12 to 16. Due to the difficulties in council recruiting.
Risk number changed	None
Risks Amended	**Item 1b - Catastrophic IT network failure –** change in main wording relating to infrastructure response and controls. **Item 1c - Ineffective communication / management of information –** update on main wording relating to cybersecurity. **Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management –** updates to main wording relating to cyber security initiatives. **Item 2b – Community Leadership Projects –** changes to main wording relating to working within the health structure. **Item 2e – Essex Family/Family Solutions -** main wording changed to reflect that additional funding has been obtained for additional family solutions post in Harwich. **item 2f – Garden Communities –** current action updated relating to the development plan and providing a more detailed framework. **Item 3a – Member Conduct –** main text updated relating to the training provided for members and the code of conduct requirements. **Item 3b – Failure to comply with legislative requirements –** update to current actions. Addition of court claims for damages to service delivery. **Item 3c – Health and Safety** – main wording changed to

	reflect risk assessment review being completed and review of lone worker devices. **Item 3d – Fraud and Corruption** – current action amended to relating to fraud awareness training. **Item 4a – Loss of Key Staff –** current action updated to explain the difficulties in recruiting. **Item 4b – Lack of capacity to deliver core services -** current action updated to explain the difficulties in recruiting. **Item 6a – Loss of sensitive and/or personal data –** update to main wording relating data breaches reporting arrangements. **Item 6b - Disconnection from PSN Network -** change in wording to reflect the improvements being undertaken in cybersecurity. **Item 7a – Local Plan** – main text updated relating to review of plan. **Item 9a** - **Ineffective Emergency Planning –** change to main text tom reflect the increase in emergency planning incidents. **Item 9b – Ineffective Business Continuity Planning –** update to main text relating to changes in the responsibilities of business continuity and the actions taken.

The Fraud and Risk Team continue to oversee the councils Risk Management supported by the councils 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 Assurance and Resilience Manager (formally Corporate Fraud and Risk Manager)	The Assurance and Resilience manager (formally 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.
One to one meeting will continue to take place between Senior Managers and the Assurance and Resilience manager (formally 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	This task is now completed, and the review of the corporate risk register is now complete. Due to changes in responsibilities a review is now being undertaken with all services relating to their business continuity plans.
Follow up item	
Arrange Risk Management training for all	No suitable Risk Management training has

departments across the council	been identified at this time, but this will be given priority and implemented by March 2023.
Review carried out relating to the effectiveness of the current control measures in place to identify inherent risk.	Review complete.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Risk Management Framework
Appendix B – Corporate Risk Register