AUDIT COMMITTEE

13 JULY 2023

REPORT OF ASSURANCE AND RESILIENCE MANAGER

A.2   CORPRATE RISK UPDDATE
(Report prepared by Claire 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 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	5
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 September 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. **Corporate Risk Register** **Then register has been subject to the review process with some highlights as follows.** A Covid 19 element continues to form part of all ongoing audits. Any significant findings identified will be provided at a later meeting by the Internal Audit Manager. The Assurance and Resilience Manger continues to review the council's Business Impact Assessments (BIA) to ensure the council is able to identify the operational and financial impacts resulting from any potential disruption of business functions and processes. The purpose of the review is to consider how the council can recover and continue to provide a service to our residents should a significant disruption occur. A more in-depth update will be provided to Audit Committee once the review has something to report. The Council continues to deal with issues relating to Corporate IT and are committed to ensuring users are not put at risk of cyber-attack. On-line training is provided which is tailored towards identifying the weaknesses throughout the authority which could make the council vulnerable to cyber-attacks and reduce the risk of the council being held to ransom by any attacker. Recruitment continues to be a challenge, but the Council has recently worked with the East of England Local Government Association to carry out an independent review of some areas of our pay structure and employment offer. This has led to some options to support best use of the National Joint Council pay spine in alignment with the employment market. These included, salary and benefits benchmarking, improved marketing of vacancies and employment offer and expanding our well-established "grow your own" ethos. These options are currently being considered as part of the Assistant Director change programme. The national and global 'landscape' continues to impact the Council, a full review of the Corporate Risk Register will be carried out during 2023/24. This will be in consultation with Senior Officers and Members/Audit Committee.

The changes to the Corporate Risk Register set out in this report reflect small changes undertaken since the Committee last considered the register in September 2022 and provide updates on changing deadlines.

A review of the Councils Risk Management concept will be carried out and brought back to Audit Committee in the next six months. This work will include a review of the current risks included along with the consideration of any changes or additions to reflect the most up to date position/changes faced by the council. This review will also consider the condition of councils Assets and the risk of ineffective maintenance of all Council owned properties that could have an adverse impact on the organisational focus delivery.

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

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	**Item 2a - Coastal Defence –** residual risk increased from 5 – 15. **Item 2d - Ineffective delivery of Transformation project –** inherent risk reduced from 15 – 2. Residual risk reduced from to 3 – 2. (consider removal of this item) **Item 4a - Loss of Key staff –** inherent risk reduced from to 16 – 12. **Item 4b** - **Lack of capacity to deliver core services –** residual risk reduced from 16- 12. **Item 7a - Local Plan** - residual risk reduced from 12 – 5.
Risk number changed	None
Risks Amended	**Item 1a - Failure to effectively manage assets –** comment regarding a review of the asset management plan provided. Consideration to review Action Plan. **Item 1c - Ineffective communication / management of information –** update on main wording relating to cybersecurity and members IT. **Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management –** updates to main wording relating to cyber security being strengthened. **Item 2a - Coastal Defence –** Officer responsibility updated from Corporate Director Operations and Delivery to Assistant Director Building and Public Realm**.** Description updated relating to risk and the stability of the cliffs. Current action updated. Update provided for cabinet member.

Item 2b - **Community Leadership Projects –** current action updated to include a comment relating to reputational and financial risk in engaging in partnership relationships, ensuring robust agreements are in place.

Item 2d - Ineffective delivery of Transforming Tendring project – current action wording updated to reflect that this project is now finalised. Inherent risk score and residual risk score amended to reflect this update. Cabinet member updated**.**

Item 2f – Garden Communities - current action updated to reflect Housing Infrastructure Funding in place. Planning Performance Agreement in discussion with lead developers and Planning Manager. Updated portfolio holder details.

Item 3c – Health and Safety – Main wording updated regarding succession planning. Responsible officer updated.

Item 3d – Fraud and Corruption – wording updated to reflect changes in fraud awareness training and induction process. Officer responsibility updated.

Item 4a – Loss of Key staff - update provided relating to changes to recruitment buy utilizing ECC recruitment. Inherent risk and residual risk rating reduced to reflect this change.

Item 4b - Lack of capacity to deliver core services - comprehensive update provided relating to considerations of recruitment and the use of East of England Local Government Association. Officer responsibility updated.

Item 5a – Financial Strategy – update provided relating to developing a framework to capture key financial information/savings. A review of financial planning cycle to be reviewed during 2023.

Item 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking. Current action updated relating to precures being in place to manage agreements with partner organizations.

Item 6b - Disconnection from PSN Network – updated current action wording relating to the national cyber security and cyber security framework. Comment provided relating to PSN health check.

Item 7a – Local Plan - current action update provided relating to local plan being adopted in Jann 22 and review due in 2025. Residual risk reduced to reflect this.

Item 9a - **Ineffective Emergency Planning –** update provided on emergency planning actions.

Item 9b – Ineffective Business Continuity Planning – update to main text relating to planned business continuity actions. Additional responsible officer added**.**

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 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 on a quarterly basis and provides monthly updates for any urgent matters identified.
Actions to be undertaken to identify and record key operational risks within service areas relating to risk management and business continuity. Support to be provided by Internal Audit manager if required	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 departments across the council	Suitable Risk Management training has been identified; this will be rolled out as part of the members training programme. Dates to be arranged via the Committee Services Team in liaison with the Assurance and Resilience Manager.

BACKGROUND PAPERS FOR THE DECISION
None

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