

# AUDIT COMMITTEE

30 JANUARY 2025

## REPORT OF INTERNAL AUDIT MANAGER

### A.2 **CORPORATE RISK UPDATE**

(Report prepared by Craig Clawson)

#### 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 April 2024.
- 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	1
Risk Score Amended	0
Risks Under Review	4
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 April 2024.

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**

It is anticipated that there will be an need to change the responsibilities section of the risk management framework in the near future due to changes in roles. No changes have been made at this time. The assessment criteria and objective of the framework currently remains the same. The framework is included at **Appendix A** following a recent review and is for information only.

#### **Corporate Risk Register**

The register has been subject to the review process with all officers responsible for the risks identified within the risk register, with some highlights as follows;

Financial Strategy, IT Security, Data Protection and Coastal Defence remain as high risks on the Corporate Risk Register. The responsible officers have provided an update on the 'Current Action Status' of the risk register.

Human Resource risks around lack of capacity and loss of key staff have now been merged as one risk. Although both are separate issues, they have the same impact on the Council with regards to not being able to deliver key services. Additional sub-risks with mitigation has been included within the 'Current Action Status' of the overarching corporate risk.

The changes to the Corporate Risk Register set out in this report reflect minor changes undertaken since the Committee last considered the register in April 2024. It provides updates, where needed and revises changing deadlines.

It is recommended that further review be undertaken to determine where some risks can now be removed or potentially merged. Some examples of this could be to remove risk 2d – Transforming Tendring Project as the Councils transformation project was completed a number of years ago or risk 2e – Essex Family Solutions as it is now a joint partnership between ECC and TDC and therefore no longer considered a significant corporate risk.

There may also be an opportunity to merge some risks such as IT Security and Information Management risks potentially reducing four risks to one or two. This is because all those risks are managed centrally with the same controls and procedures reducing the inherent risk for all areas identified.

The above are just some examples of what could be achieved with a more in depth review of the current Corporate Risk Register.

It is also worth noting that we have been working with the IT department to build an in house system to manage Business Impact Assessments (BIA) for all services across the Council. The Internal Audit Manager has now collected all BIA's required. Some final testing of the system is being undertaken before all BIA's are uploaded. This will allow all departments to log in and update their risks periodically rather than chasing spreadsheets and collating data that can be very time consuming.

The below table sets out **all** amendments to the Risk Register since it was last considered by the Committee in April 2024.

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	4b – Lack of Capacity to Deliver Core Services (Merged with 4a – Loss of Key Staff)
Risk Scores Amended	None
Risk number changed.	None
Risks Amended	<p><b>Item 1b – Catastrophic IT network failure</b> – Controls updated within the current action status.</p> <p><b>Item 1c - Ineffective communication / management of information</b> – additional information on information breaches added to the current action status.</p> <p><b>Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management</b> – additional information added regarding immutable back ups and Zero Trust Network Architecture (ZTNA).</p> <p><b>Item 2f – Garden Communities</b> – Current action status updated to reflect the latest timeline of events.</p> <p><b>Item 3a – Member Conduct</b> – Current action status updated to reflect and increase in complaints and training provision updates.</p> <p><b>Item 4a – Loss of Key Staff</b> – merged with 4b and now includes all sub risks and mitigation against the overarching corporate risk.</p> <p><b>Item 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking</b> – additional update on policy and procedures included within current action status</p> <p><b>Item 6b - Disconnection from PSN Network</b> – additional information relating to IT Security Healthchecks and Cyber Assessment Frameworks.</p>

**Item 7a – Local Plan** - current action updated to reflect current timelines.

No changes were required for the following risks at time of writing; The responsibility for some risks have recently changed and therefore may require a further update for future reports.

Risk number	Risk title	Responsible officer
1a	Failure to effectively manager assets	Andy White
2a	Coastal defence	Andy White
2b	Community Leadership Projects	Lee Heley
2c	Building Council Homes	Damian Williams
2d	Ineffective delivery of transforming Tendring project	Andy White
2e	Essex Family Solutions	Lee Heley
3b	Failure to comply with legislative requirements.	Lisa Hastings
3c	Health and Safety	John Higgins / Clare Lewis
3d	Fraud and Corruption	Richard Barrett / Craig Clawson
5a	Financial Strategy	Richard Barrett
8a	Failure to collect levels of income required from Council Tax to fund the Councils financial requirements.	Richard Barrett
8b	Failure to collect levels of income required from non-domestic rates to meet the shares between the Government, Essex County Council, Essex Fire Authority and TDC	Richard Barrett
9a	Ineffective Emergency Planning	John Fox/Catherine Boyer-Besant
9b	Ineffective Business Continuity Planning	John Higgins

The Fraud and Risk Team continue to oversee the Council's 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	Management team continue to be updated with urgent matters on a quarterly basis.

<p>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</p>	<p>Due to changes in responsibilities a review is now being undertaken with all services relating to their business continuity plans.</p>
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**Follow up item.**

<p>Arrange Risk Management training for all departments across the council</p>	<p>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.</p>
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**BACKGROUND PAPERS FOR THE DECISION**

None

**APPENDICES**

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