Audit and Assurance Committee

Date: **15 September 2021**

Item: **Enterprise Risk Update – Major Security Incident (ER4)**

This paper will be considered in public

1 Summary

1.1 This paper provides an update of Enterprise Risk 4 (ER4) – Major Security Incident, which is accurately defined within the current threat environment and details the preventative and reactive controls and actions in place to manage our response.

1.2 A paper is included on Part 2 of the agenda which contains exempt supplemental information that is exempt from publication by virtue of paragraph 7 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to action which might be taken in relation to prevention, investigation or prosecution of a crime. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

2.1 The Committee is asked to note the paper and the exempt supplemental information on Part 2 of the agenda.

3 Current Status

3.1 TfL is an operator and owner of critical national infrastructure and a key player in the safety and security of London. We recognise the threat from deliberate, intentional acts to harm TfL and London's people, reputation and economy is constant, evolving and increasingly significant in an unstable world. Financial crime, cyber-crime, organised crime and the hostile actions of nation states are becoming indistinguishable. We adopt a holistic and risk-based approach to improve security and protect customers and our workforce from hostile and deliberate actions that cause harm.

3.2 We work to identify existing and emerging security risks and seek to reduce our vulnerability to terrorism, nation state hostile acts, extortion (through cyber-attacks), organised financial crime such as fraud, blackmail, corruption, espionage, sabotage and industrial scale theft. Our systematic approach to protective security contributes to TfL's and London's sustainability.

3.3 Since the last update to the Committee meeting of 2 December 2020, we have continued to develop ER4 through a series of workshops with security specialists, business lead owners and external expert briefings on the current threat landscape.

3.4 ER4 has been developed to take a holistic approach to the security threats facing TfL. ER4 defines a major security incident as the impact on TfL's operations, assets, customers, people, finances and reputation caused from an incident or terrorism, sabotage, espionage, or serious financial crime. The scale and nature of the impact is a combination of a failure to sufficiently identify and understand the threats we face, or to recognise our vulnerabilities and seek to protect them, in order to deter, delay and detect such criminal activity. The causes fall within four broad categories: terrorism, sabotage, espionage and serious financial crime.

3.5 This update expands the potential causes, consequences and financial cost of a major security incident happening, as well as the controls and actions in place to mitigate. The updated ER4 risk now reflects the preventative and corrective controls developed over the past 12 months.

3.6 These include a centralised Security Governance team and approach, which will be responsible for the management of reporting and oversight of security matters to the Executive Security Group which represents all business areas within TfL and other forums to enable proportionate and effective decision making.

3.7 We recognise that everyone at TfL has a role to play in security and we actively work to increase awareness, understanding and competence through security training, briefings and acting on security communications.

3.8 ER4 provides oversight of the risk, causes, consequences and controls in place to manage it. Detail of this work is presented in the paper on Part 2 of the agenda.

List of Appendices:

A paper containing exempt supplemental information is included on Part 2 of the agenda.

Background Papers:

None

Contact Officer: Siwan Hayward OBE, Director Compliance, Policing, Operations and Security
Email: siwan.hayward@tfl.gov.uk