

Appendix 1 – Corporate Risk Management Report – January 2023

Background

1. Risk management is a key element of East Cambridgeshire District Council’s Code of Governance.
2. The Audit Committee is responsible for overseeing the Council’s Corporate Risk Register. Six monthly updates on the Corporate Risk Register are presented to the Audit Committee.

Corporate risk register updates

3. The Corporate Risk Register has been updated, and is attached at **Appendix 2**.
4. The register includes scores for **inherent** risks (before any mitigating controls are considered) and **residual** risk (after taking account of key controls, which are listed). Any planned actions to further mitigate risks are also shown.
5. Also added to the register, since the last version was presented to the Audit Committee in July 2022, is a column capturing sources of assurance.
6. The risk appetite is illustrated in the scoring matrix, which is also used to highlight the significance of the residual risks in a “heat map”, which accompanies the Corporate Risk Register.
7. The Corporate Risk Register is reported to the Committee twice per year. Changes to the risk register, and relevant updates, are reported to the Committee for awareness. Current developments are detailed below:

Risk	Description
A2 East Cambridgeshire Trading Company (ECTC) fails to deliver upon its business plan and expected levels of performance.	<p>This risk entry had previously incorporated both trading companies. These have now been split into two separate risk entries, with A6 relating to the delivery of ECSS. Risk A2 has been amended to focus only on East Cambs Trading Company.</p> <p>The residual scoring has also been amended to increase the impact score from 4 to 5, thereby increasing the total residual risk score to 10.</p>
A5 Cost of living crisis impacting on the	<p>New risk entry – This recognises the risks posed by the increased cost of energy and other living costs, including rising interest rates, on local residents.</p>

Risk	Description
residents of East Cambridgeshire	The inherent risk is scored as 20 (4 for likelihood and 5 for impact). The residual risk score is 9 (3 for likelihood and 3 for impact), based on the controls in place.
A6 East Cambridgeshire Street Scene (ECSS) Ltd fails to deliver upon its business plan and expected levels of performance.	New risk entry – The risk entry A2 had previously incorporated both trading companies. These have now been split into two separate risk entries, with A6 relating to the delivery of ECSS. The inherent risk is scored as 15 (3 for likelihood and 5 for impact). The residual risk score is 10 (2 for likelihood and 5 for impact), based on the controls in place.
D8 Difficulties with staff recruitment, absence (including sick leave) and retention – leading to lack of resources.	The inherent risk score for this entry has been increased from 9 to 12. This arises from an increased score on the likelihood from 3 to 4. This recognises the current challenges faced by most sectors in recruiting to vacant posts.

Corporate residual risk heat map

- An updated risk heat map is included at **Appendix 3** which shows the residual risk level for each of the risks. This gives a quick view of where each risk sits in relation to the Council's risk appetite, i.e. any risks with a residual score greater than 15 would require formal monitoring.

Conclusion

- Risk management processes follow good practice, and are considered proportionate. These are documented in a Risk Management Policy, with a supporting framework.
- The Risk Management Group continue to review the Risk Register on a quarterly basis to ensure all risks are recognised and up to date.
- The Council's Corporate Risk Register shows each risk and details the owner and the key controls, both in place or planned, designed to minimise any impact on the Council and its provision of services to stakeholders.

12. The Risk Management Policy requires managers to keep all risks under review, and the Corporate Risk Register has been updated accordingly.

