



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

# Risk Management

10<sup>th</sup> January 2022





# Risk Management

Risk management is the process by which risks are identified, evaluated and where possible controlled. It is a key element of the Council's governance framework.



# Management of Risk

- ▶ Risk needs to be monitored and controlled at all levels in the Council
- ▶ Most service risks are managed by the respective services and are monitored via the Team's Service Plan
- ▶ Corporate Risks are managed via the Risk Management Group and are detailed on the Corporate Risk Register



# Corporate Risk Register

- ▶ The Risk Management Group review the Corporate Risk Register quarterly
  - a) Review the score of the current risks
  - b) Determine if any new risks should be added
- ▶ The Register is presented to Audit Committee every six months
- ▶ If any residual score goes above the Risk Appetite it will be escalated to Corporate Management Team and Full Council



# Risk Management Group

- ▶ The Council's Risk Management Group is chaired by the Finance Manager & Section 151 Officer
- ▶ Other members of the Group are:
- ▶ Director – Commercial
- ▶ Infrastructure & Strategy Manager
- ▶ Legal Services Manager
- ▶ Head of Internal Audit
- ▶ Head of Customer Services
- ▶ Health and Safety Officer



# Risk Register

- ▶ The Council holds a Corporate Risk Register detailing all of the corporate risks
- ▶ This has a number of columns that detail:
- ▶ The nature of the risk, its potential impact on the Council and the owner of the risk
- ▶ The inherent score
- ▶ The processes in place to manage the risk
- ▶ The residual score
- ▶ Any further actions the Council plans to reduce the risk further



# Scoring of Risk

- ▶ The scoring of risks on the Corporate Risk register is undertaken by the Risk Management Group
- ▶ Initially an inherent score is determined, this is the score before any prevention actions are taken
- ▶ The prevention actions are then considered and a residual score is produced. It is this score that is compared to the Council's risk appetite



# Risk Appetite

- ▶ The Council scores risks based on likelihood and impact, scoring each in the range 1 to 5.
- ▶ The Council's risk appetite for residual risk is 15, that means that the Council is content to accept any risk that scores either 15 or below.





# Role of Audit Committee

- ▶ Audit Committee review the Corporate Risk Register every six months
- ▶ Members are asked to make comments on the Register, which will then be considered at the next meeting of the Risk Management Group and changes made to the Register when deemed appropriate



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# Questions?