

Appendix 3 – Corporate Risk Management Report – January 2022

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.
3. The Risk Management Policy was last reviewed by the Finance and Assets Committee in September 2020 and approved by Full Council in October 2020.
4. Six monthly updates on the Corporate Risk Register are presented to the Audit Committee.

Corporate risk register updates

5. The Corporate Risk Register has been updated, and is attached at **Appendix 4**.
6. 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.
7. 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.
8. 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
B3 Failure to accommodate the impacts of Brexit.	<p>The scoring of the residual risk has been reduced from 6 to 4, based on a reduced impact score.</p> <p>The United Kingdom left the EU on 31st January 2020, with the transitional arrangements having ended on the 31st December 2020. Since this time, there has appeared to be little impact on Council services.</p> <p>In recent weeks there have been driver shortages with ECSS that have impacted on some waste collections. It is probable that Brexit paid a contributory factor in this, but it is believed that the overriding issue is the Covid pandemic.</p>
C1 Failure to maintain service delivery	<p>The scoring on the inherent risk has been amended to reflect a reduced impact (reducing the score from 15 to 12). The scoring of the residual risk has also been reduced from 6 to 4.</p>

Risk	Description
<p>and support the community in the event of an unforeseen emergency or loss of resources.</p>	<p>This reflects the successful delivery of services during the pandemic and the assurances which can be taken from the proven ability to maintain service delivery without access to buildings, for example. The strengthening of IT systems through the recent implementation of Office 365 further enables flexibility in working arrangements and continuity in the case of loss of systems/resources.</p>
<p>C2 Loss of data or access to ICT systems due to a breach of information security and / or weaknesses in the IT infrastructure.</p>	<p>The residual risk scoring has been increased pending the completion of all actions arising from the Internal Audit review of Cyber Security. This has increased the residual scoring from 6 to 9.</p>
<p>C3 Non-compliance with legislative and regulatory requirements</p>	<p>The scoring for this risk has been reviewed and reduced from 12 to 6, for inherent risk and from 6 to 3 for residual risk. This was based on reflection by the Risk Group on the Council's policy framework. Officers continue to stay up-to-date and implement any changes arising from changes in legislation to ensure that the Council meets legislative and regulatory requirements. There are no known issues of non-compliance.</p>
<p>C5 Payroll and HR system not meeting the needs of the whole organisation.</p>	<p>This risk has been removed from the corporate risk register as the project is now fully delivered and any system risks are now managed as business as usual.</p>
<p>D8 Difficulties with staff recruitment, absence and retention – leading to lack of resources.</p>	<p>The likelihood scores for both the inherent and residual risk have been reduced from 4 to 3. As such, the overall inherent score is reduced to 9 and the residual risk to 6. This reflects a low staff turnover rate.</p>

Corporate residual risk heat map

9. An updated risk heat map is included at **Appendix 4** 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. there should be no risks with a residual score greater than 15, unless there are exceptional circumstances.

Conclusion

10. Risk management processes follow good practice, and are considered proportionate. These are documented in a Risk Management Policy, with a supporting framework.
11. The Risk Management Group continue to review the Risk Register on a quarterly basis to ensure all risks are recognised and up to date.
12. The Council has a Corporate Risk Register and each risk shows 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.
13. The Risk Management Policy requires managers to keep all risks under review, and the Corporate Risk Register has been updated accordingly.