

From: Roger Gough, Leader of the Council
David Cockburn, Corporate Director for Strategic & Corporate Services and Head of Paid Service

To: Governance and Audit Committee – 21st January 2021

Subject: **CORPORATE RISK REGISTER**

Classification: Unrestricted

Summary: Governance & Audit Committee receives the Corporate Risk Register every six months for assurance purposes.

FOR ASSURANCE

1. Background

- 1.1 The Corporate Risk Register is a ‘living document’ and is usually subject to a more formal and comprehensive refresh annually in the autumn. However, the coronavirus pandemic led to a significant revision of the register during the summer of 2020, which was reported to Cabinet in June and to Governance & Audit Committee in July. A summary of the corporate risk profile was also presented to Cabinet in September, as part of a “winter risks” item.
- 1.2 Due to the above, and the continually evolving risk environment, a more streamlined refresh process took place during the autumn, involving several conversations with risk and action owners across the organisation to answer specific questions, ahead of collective discussion with Corporate Management Team and Cabinet Members. The output from this was reported to Cabinet on 14th December 2020.
- 1.3 The register will require regular update and review as further events relating to the coronavirus pandemic continue to impact on our corporate risk profile.

2. Corporate Risk Register summary

- 2.1 Given the significant refresh over the summer, there has not been major change to the corporate risk profile in terms of the ratings assigned to the risks, particularly as the coronavirus pandemic continues to present the challenges for the council that has led to many risks increasing in recent months.
- 2.2 However, the context of the risks continues to evolve, along with the Council’s responses. A summary of the latest position for each risk is attached in appendix 1, while the full register is attached in appendix 3.

2.3 During the latest refresh process, no new risks have been added to the register, although there have been several amendments to risk levels, as well as risks identified where the context requires significant updating:

2.3.1 CRR0051 - Maintaining or Improving workforce health, wellbeing and productivity throughout Coronavirus response and recovery. A significant majority of the KCC workforce has been working remotely for 10 months and the *Work and Wellbeing* “pulse check” survey indicated that our staff continue to show tremendous resilience in adapting to new working practices, finding innovative ways to engage with service users and residents and continue to deliver services. However, there are wellbeing concerns for public, service user facing staff, particularly in areas of high infection rates, as we enter a challenging winter period. The latest national ‘lockdown’ restrictions announced by the Government on 4th January 2021 mean that a significant proportion of the workforce will once again be balancing childcare or other caring responsibilities with working from home. The Corporate Management Team will ensure continual engagement with staff to monitor the situation and respond appropriately, putting in place further interventions as necessary to supplement pre-existing support to aid health and wellbeing. Given the above, the risk level has been increased from ‘medium’ to ‘high’ for the coming months.

2.3.2 CRR0014 - Cyber-attack threats and their implications. The risk remains high due to the continuing significant volumes of attempted attacks across the sector and inherent risks of increased cyber-attacks during emergencies such as a pandemic. Further improvements have been made to KCC’s ICT security infrastructure over the past six months, hence the rating has been reduced slightly from the maximum 25 rating, to 20. The Authority’s Technology Strategy continues the endorsement of a move to the “Cloud”, to further increase resilience.

2.3.3 CRR0040 - Financial, governance, reputational and service delivery risks associated with KCC’s Local Authority Trading Companies. This risk was initially added to the register several years ago as the individual companies were being formed. Since then, holding company arrangements have been implemented and from a governance perspective, the council retains control as 100% shareholder to mitigate governance risks. The risk level was previously raised in summer 2020 from a financial perspective, due to the potential loss of income for these companies because of Covid-19 disruption. While this may be the case, this is not of the same scale as other financial pressures presented by Covid-19. A HoldCo transformation project is being scoped as part of the KCC Strategic Reset Programme and the risk is being managed at the Strategic & Corporate Services directorate level.

2.3.4 CRR0045 - Effectiveness of Governance within a Member-led Authority
When presented to Governance and Audit Committee in July 2020, it was stated that, *“As currently drafted, it is expected that this risk will come off the register, but it may need to be re-cast alongside the KCC reset.”* It is felt that while several mitigating actions relating to this risk were completed some time

ago i.e. review of informal governance arrangements, introduction of officer operating standards etc. the source of the risk relating to the challenging financial and operating environment across the local government sector remains, including the critical importance of avoiding any consequent governance failures relating to decision-making that have been experienced elsewhere in the sector. Therefore, rather than remove this risk altogether, the risk is being re-cast to enable review of any emerging lessons from the sector and any governance implications arising from the coronavirus pandemic that the Council should be cognisant of and actively seek to mitigate or avoid locally.

3. Directorate Risks

- 3.1 For the first time, a headline summary of directorate risks (title plus rating) is reported to this Committee, to give it oversight of risks that are being regularly monitored and reviewed by Directorate Management Teams. These are attached at appendix 2 and will be reported in more detail to Cabinet Committees in the Spring.

4. Key Risk Indicators

- 4.1 KCC's Risk Management Policy & Strategy emphasises the importance of utilising the information available to support risk analysis and evaluation processes. As part of this, work is in progress to draw together various risk indicators (sometimes referred to as Early Warning Indicators) of relevance to each risk, most of which are already reported in various committees or forums across the Council. These are being discussed with management teams and will be more explicitly linked to our corporate risks in future reporting arrangements.

5. Monitoring and Review

- 5.1 The corporate risks led by each Corporate Director are presented to the relevant Cabinet Committees annually, alongside existing arrangements for presentation of directorate risks.
- 5.2 There is a focus on ensuring that key mitigating actions are identified, and progress monitored. The risks within the Corporate Risk Register, their current risk level and progress against mitigating actions are reported to Cabinet quarterly via the Quarterly Performance Report.

6. Recommendation

- 6.1 The Governance and Audit Committee is asked to:
 - a) NOTE the report for assurance.

Report Author:

Mark Scrivener, Corporate Risk Manager

Email: mark.scrivener@kent.gov.uk

Relevant Director

David Whittle, Director of Strategy, Policy, Relationships and Corporate Assurance

Email: David.whittle@kent.gov.uk