



KCC Corporate Risk Register

Extract for presentation to Policy & Resources Cabinet
Committee on 09/03/2023

Corporate Risk Register - Summary Risk Profile

Low = 1-6	Medium = 8-15	High =16-25
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Risk No.*	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since July 2022
CRR0009	Future financial and operating environment for local government	High (20)	High (16)	↔
CRR0014	Cyber and information security resilience	High (20)	High (20)	↔
CRR0039	Information Governance	Medium (15)	Medium (9)	↓
CRR0045	Maintaining effective governance and decision making in a challenging financial and operating environment for local government	Medium (15)	Low (5)	↑
CRR0049	Fraud and Error	High (10)	Low (5)	↓
CRR0053	Capital Programme affordability (impacts on performance and statutory duties)	High (25)	High (16)	↔
CRR0054	Supply Chain and market factors	High (20)	TBC	↔
CRR0058	Recruitment and Retention of the workforce	High (16)	Medium (9)	New Risk

NB: Current & Target risk ratings: The 'current' risk rating refers to the current level of risk taking into account any mitigating controls already in place. The 'target residual' rating represents what is deemed to be a realistic level of risk to be achieved once any additional actions have been put in place. On some occasions the aim will be to contain risk at current level.

Likelihood & Impact Scales					
Likelihood	Very Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Very Likely (5)
Impact	Minor (1)	Moderate (2)	Significant (3)	Serious (4)	Major (5)

Risk ID	CRR0009	Risk Title	Future financial and operating environment for Local Government			
Source / Cause of risk		Risk Event	Consequence	Risk Owner (s)	Current Likelihood	Current Impact
The Autumn Statement 2022 set out the Government's high level public plans to 2027-28. Detailed departmental plans (including local government) were set out up to 2024-25. This included additional grant announcements for social care and increased council tax referendum limits for 2023-24 and 2024-25. This included additional grant announcements for social care and increased council tax referendum limits for 2023-24 and 2024-25.		Forecast budget monitoring 2022/23 showed a £60.9m overspend for the year as at quarter 2 with the risk that initially further monitoring forecasts could show an increase in subsequent quarters.	Unsustainable financial situation and potential drawdown from reserves, ultimately resulting in s114 notice.	On behalf of CMT: Zena Cooke, Corporate Director Finance (Section 151 Officer)	Likely (4)	Major (5)
The local government finance settlement announced in December 2022 provided detailed allocations for 2023-24 with guiding principles for the additional amounts available for social care in 2024-25.		Levels of spending and growth pressures across services outstrip the Council's core spending power. Threatening the financial sustainability of KCC, its partners and service providers.	Failure to delivery statutory obligations and duties or achieve social value.	Responsible Cabinet Member(s): All Cabinet Members	Target Residual Likelihood Likely (4)	Target Residual Impact Serious (4)
We know from the spending plans that any further growth in resources is likely to be limited and that further savings are likely to be required, although without detailed spending plans it is difficult to predict how significant		In order to set a balanced budget, the council is likely to have to continue to make significant year on year savings. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.	Potential for partner or provider failure – including sufficiency gaps in provision.			Timescale to Target 1-2 years
		Continued delays and uncertainty surrounding review of local government funding impacts on KCC's	Reduction in resident satisfaction and reputational damage.			
			Increased and unplanned pressure on resources.			
			Decline in performance.			
			Legal challenge resulting in reputational damage to the Council.			

<p>these will be or how much of the additional funding for 2023-24 and 2024/25 will be included in the baseline for future settlements.</p> <p>The long-awaited Fair Funding review of local authority funding has been further delayed for at least two years (until 2025-26) as have the reforms to social care charging.</p> <p>The overall settlement for 2023-24 was insufficient to fully fund forecast demand and cost growth pressures facing services across the council (even after additional funding for social care). The spending growth for 2023-24 was extraordinary in that it had to include the full year effect of forecast overspending from 2022-23 as well as forecast future price increases significantly above the government's target and forecast future demand. Savings rely on more significant policy decisions than previous budgets and increased income from other sources (including fees and charges and company dividends).</p> <p>Uncertainty also applies to services funded via ring-fenced specific grants. Of particular</p>	<p>medium term financial planning.</p>	<p>Impact on Council Tax.</p>
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concern is the special educational needs and disability (SEND) provision funded by the Dedicated Schools Grant (DSG). The high needs block of DSG has not kept pace with the substantial increase in demand for SEND (see CRR0056) resulting in deficit accruing on DSG spending. The Council is now part of the DfE Safety Valve programme and, as part of this, will need to bring High Needs spending back into balance over the medium term and contribute to repaying the historic deficit.

There are a number of geo-political uncertainties in the current environment which additionally impact on the financial and operating environment. As a result of economic uncertainty, there are inflation, interest rate and cost pressures that we need to manage, alongside decreased purchasing power.

Control Title	Control Owner
Processes in place for monitoring delivery of savings and challenging targets to bear down on future cost growth, as well as the budget as a whole.	Zena Cooke, Corporate Director Finance (Section 151 Officer)

Independent review of savings proposals and growth estimates	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Forecasts for future spending growth to be revised as necessary once estimates become more certain and only finalised in controllable budgets once uncertainties have been resolved.	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Regular analysis and refreshing of forecasts to maintain a level of understanding of volatility of demand and cost pressures, which feeds into the relevant areas of the MTFP and business planning process.	Richard Smith, Corporate Director ASCH / Sarah Hammond, Corporate Director CYPE / Simon Jones, Corporate Director GET
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation.	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Financial analysis conducted after each budget statement	Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Ensure evidence of any additional KCC spend required to cover impacts relating to new burdens imposed, e.g., EU exit, Supporting Families grant.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Continued engagement with Government regarding High Needs funding concerns	Sarah Hammond, Corporate Director (CYPE) / Christine McInnes, Director of Education / Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Engagement with County Councils Network, Society of County Treasurers and other local authorities and Government of potential opportunities and issues around devolution and public service reform	David Whittle, Director SPRCA
KCC Strategic Statement and Strategic Reset Framework developed, outlining how the Council will operate in future, taking into account medium term implications of the Covid-19 pandemic and the challenging operating environment more broadly.	David Whittle, Director SPRCA / Amanda Beer, Deputy Chief Executive

KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet.	Rachel Kennard, Chief Analyst, KCC	
Ongoing monitoring and modelling of changes in supply and demand in order to inform strategies and service planning going forward.	Rachel Kennard, Chief Analyst, KCC	
Assessing impact and responding to Government plans for the future of social care, including Health and Social Care Integration White Paper, including assessing and quantifying the costs of social care reforms to analyse sufficiency of additional funding over the medium term to cover the cost of the reforms.	Richard Smith, Corporate Director ASCH / Zena Cooke, Corporate Director Finance	
Ongoing policy analysis of the devolution agenda and devolution deals agreed by the government.	David Whittle Director SPRCA	
Regular review of HM Treasury forecasts and Government planned spending levels for local government	Zena Cooke, Corporate Director Finance	
Quarterly budget meetings between Cabinet Member for Finance and Corporate Director for Finance with Cabinet Members and Corporate Directors as relevant.	Zena Cooke, Corporate Director Finance (Section 151 Officer)	
Action Title	Action Owner	Planned Completion Date
Outcomes Based Budgeting approach being developed to strengthen links between outcomes and funding, using robust analysis and evidence, with resource envelopes issued	Zena Cooke, Corporate Director Finance	April 2024 (review)
Robust plan to be developed urgently to reduce current year overspend in order to reduce potential calls on reserves and spending growth pressures in subsequent years.	Zena Cooke, Corporate Director Finance (Section 151 Officer)	March 2023
Robust plan for 2024/25 to be developed.	Zena Cooke, Corporate Director Finance (Section 151 Officer)	January 2024

Risk ID	CRR0014	Risk Title	Cyber & Information Security Resilience			
Source / Cause of Risk		Risk Event	Consequence	Risk Owner(s)	Current Likelihood	Current Impact
Malicious (intentional) actions against KCC from individuals, cyber criminals and state sponsored attacks.		Confidentiality, integrity and availability of data or systems is negatively impacted or compromised leading to loss of service, data breaches and other significant business interruptions.	Data Protection breach and consequent Information Commissioner's Office (ICO) sanction.	Lisa Gannon, Director of Technology	Likely (4)	Major (5)
Human error leading to staff revealing information or taking actions which assist malicious actor in being able to affect systems or data, including responding to phishing emails and losing account credentials.			Damages claims.	Ben Watts, General Counsel and KCC Data Protection Officer		
Compromise of physical security controls and/or infrastructure including unauthorised access to data centres, network cables and natural disaster (flood, fires etc.)			Reputational Damage.	Paul Royel, Director HR/OD	Likely (4)	Major (5)
Supply chain compromise including vulnerabilities in purchased equipment and supplier system breaches.			Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.			
Gaps in existing resources and capabilities, including technological controls and resource challenges in provider's operational teams.			Loss or corruption of data.			
			Loss of key systems potentially impacting ability to deliver statutory services.			
		Partners unable to discharge their duties.	Responsible Cabinet Member(s):			
		Complaints	Peter Oakford, Finance, Corporate and Traded Services			
			Shellina Prendergast, Communications and People.			
					Target Residual Likelihood	Target Residual Impact
					Likely (4)	Major (5)
						Timescale to Target
						At Target

Control Title	Control Owner
Multiple layers of logical, physical and administrative security controls Defence in depth is a key cyber security concept that the Authority adheres to, involving multiple layers of security control for protection from various threats.	James Church ICT Compliance & Risk Manager
Security engagement, training and awareness. Ongoing program of security engagement, training and awareness, upskilling staff to reduce human error. This includes communications, e-learning and training for staff.	James Church ICT Compliance & Risk Manager
Supply chain risk management Program of activities to reduce supply chain risk, including tracking supplier security assurances.	James Church ICT Compliance & Risk Manager
Investment in and implementation of new controls and technologies including capabilities of M365 E5 licenses. Cyber security threats are constantly evolving and therefore new tools and capabilities are required to keep up and mitigate the risk.	Dave Lindsay Interim Head of Technology, Commissioning and Strategy
Frequent security audits, penetration tests and compliance submissions External review of security posture provides validation that our controls work and are being managed effectively.	James Church ICT Compliance & Risk Manager
Internal assurance programme including audits, risk assessment and vulnerability management. Completion of internal audits and assurance audits to ensure cyber is being managed effectively. Continuing to action audit recommendations via the Consolidated Security Action Plan. Risk assessments completed on new implementations to ensure that cyber risks are highlighted and treated. Vulnerability management activities to identify and treat vulnerabilities in good time.	James Church ICT Compliance & Risk Manager
Data Protection and Information Governance training is mandatory and requires staff to refresh periodically. Progress rates monitored regularly.	Ben Watts, General Counsel and KCC Data Protection Officer / Paul Royel, Director HR/OD
Additional messages warning staff of cyber threats are being sent out regularly.	Diane Trollope, Head of OD and Engagement

Messages to encourage increased awareness of information security amongst staff are communicated to align with key implementation milestones of the ICT Transformation Programme.		Diane Trollope, Head of OD and Engagement
Action Title	Action Owner	Planned Completion Date
Cloud migration and reducing reliance on physical infrastructure Activities to migrate away from physical infrastructure to the cloud which has increased resilience and stronger physical security controls.	Dave Lindsay Interim Head of Technology, Commissioning and Strategy	May 2023
Commissioning and procurement processes include cyber standards and requirements. Ensuring that new products and services are built with the Authority's minimum requirements for cyber security.	James Church ICT Compliance & Risk Manager	June 2023

Risk ID	CRR0039	Risk Title	Information Governance			
Source / Cause of risk		Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
The Council is required to maintain the confidentiality, integrity and proper use, including disposal of data under the Data Protection Act 2018, which is particularly challenging given the volume of information handled by the authority on a daily basis.		Failure to embed the appropriate processes, procedures and behaviours to meet regulations.	Information Commissioner's Office sanction (e.g., undertaking, assessment, improvement, enforcement or monetary penalty notice issued against the Authority).	Ben Watts, General Counsel and Data Protection Officer in collaboration with David Whittle, Senior Information Risk Owner	V. Likely (5)	Significant (3)
The Council has regulatory obligations into the management of SAR/FOI/EIR requests.		Failure to meet regulatory reporting deadlines.	Increased risk of litigation.			
United Kingdom General Data Protection Regulations (UK GDPR) came into effect that have introduced significantly increased obligations on all data controllers, including the Council.		Information security incidents (caused by both human error and / or system compromise) resulting in loss of personal data or breach of privacy / confidentiality.	Reputational damage.	Responsible Cabinet Member(s):	Target Residual Likelihood	Target Residual Impact
The Covid-19 pandemic has introduced new risks e.g., staff adapting to new ways of working and increasing information security threats.		Council accreditation for access to government and partner ICT data, systems and network is withdrawn.		Roger Gough, Leader	Possible (3)	Significant (3)
The Covid-19 pandemic has introduced new risks e.g., staff adapting to new ways of working and increasing information security threats.		Cantium Business Solutions prioritises commercial work or does not undertake information governance compliance work in an appropriate and timely fashion.		Shellina Prendergast, Communications and People		
There are resourcing challenges to undertake comprehensive oversight / assurance activity that provides assurance on compliance with existing information governance standards.		Providers processing KCC data fail to embed the appropriate processes and behaviours.		Peter Oakford, Deputy Leader and Cabinet Member for Corporate and Traded Services		Timescale to Target
						1-2 years

There is a critical dependency on the Council's Local Authority Trading Companies (CBS) and other material third parties to support Information Governance compliance for the KCC systems and network.

KCC services' requirement for non-standard systems creates vulnerabilities.

Control Title	Control Owner
Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum.	Ben Watts, General Counsel and KCC Data Protection Officer / Paul Royel, Director HR and OD
Senior Information Risk Owner for the Council appointed with training and support to undertake the role.	David Whittle, Director SPRCA
ICT Commissioning function has necessary working/contractual relationship with the Cantium Business Solutions to require support on KCC ICT compliance and audit.	Dave Lindsay, Interim Head of ICT Commissioning and Strategy
Caldicott Guardian appointed with training and support to undertake the role.	Richard Smith, Corporate Director ASCH
A number of policies and procedures are in place including KCC Information Governance Policy; Information Governance Management Framework; Information Security Policy; Data Protection Policy; Freedom of Information Policy; and Environmental Information Regulations Policy all in place and reviewed regularly. Data Protection Officer in place to act as a designated contact with the ICO.	Ben Watts, General Counsel and KCC Data Protection Officer
Management Guide/operating modules on Information Governance in place, highlighting key policies and procedures.	Ben Watts, General Counsel and KCC Data Protection Officer

Privacy notices as well as procedures/protocols for investigating and reporting data breaches reviewed and updated.	Caroline Dodge, Team Leader Information Resilience & Transparency	
Information Resilience and Transparency team in place, providing business information governance support.	Caroline Dodge, Team Leader Information Resilience & Transparency	
Cross Directorate Information Governance Working Group in place.	Michael Thomas-Sam, Strategic Business Adviser Social Care	
Corporate Information Governance Group established, chaired by the DPO and including the SIRO and Caldecott Guardian acting as a point of escalation for information governance issues and further escalation to the Corporate Management Team if required	Ben Watts, General Counsel and KCC Data Protection Officer	
Action Title	Action Owner	Planned Completion Date
Cloud migration and reducing reliance on physical infrastructure activities to migrate away from physical infrastructure to the cloud which has increased resilience and stronger physical security controls.	Dave Lindsay Interim Head of Technology, Commissioning and Strategy	May 2023
Data breach process to be enhanced by automated system, changes include auto reminders to services where further information is required. More data will be available on service performance in relation to breach management and also allow for timely escalation where appropriate	Ben Watts, General Counsel and KCC Data Protection Officer	April 2023
Working from Home Information Governance and Records Management audit implementation of recommendations	Ben Watts, General Counsel	June 2023
Each directorate is responsible for carrying out data mapping exercises to find out what personal data is held and to understand how the information flows through the organisation.	Michael Thomas-Sam, Chair of Cross-Directorate Information Governance Working Group	June 2023 (completion of updates in outstanding areas)

Risk ID CRR0045 Risk Title Maintaining effective governance and decision making in a challenging financial and operating environment for local government.					
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
<p>The continuation of a challenging financial and operating environment for Local Government (see risk CRR0009) will require difficult policy decisions to be made in a timely manner, which requires continued effective governance and decision making as well as robust internal control mechanisms. Examples from other local authorities has shown the impact that ineffective decision making can have on financial resilience. KCC's constitution explicitly references the demarcation of Member and Officer roles which consequently places dependency on the effectiveness of the member governance of the Council. Elected Members may require additional training and expertise to enable capability of effective challenge.</p>	Members are unwilling or unable to agree necessary policy (service) decisions to deliver a legally balanced budget and sustainable medium-term financial plan (MTFP).	Decisions challenged under judicial review on the appropriateness of the decision-making within KCC.	David Cockburn, Chief Executive Officer	Possible (3)	Major (5)
	Members agree a budget requiring unrealistic and undeliverable efficiency savings leading to significant in-year overspends.	Monitoring Officer / Head of Paid Service statutory report to Council.	Zena Cooke, Corporate Director Finance (s151 Officer)	Target Residual Likelihood V. Unlikely (1)	Target Residual Impact Major (5)
	Statutory officers (S151, Monitoring Officer, Head of Paid Service) are required to use their powers to intervene or alert the Council to inappropriate/illegal decision-making.	Reputational damage to the Council.	Ben Watts, General Counsel and Monitoring Officer		Timescale to Target TBC
		S114 Notice issued by the S151 Officer.	Responsible Cabinet Member(s): Roger Gough, Leader of the Council Peter Oakford, Deputy Leader and Cabinet Member for Corporate and Traded		

Services	
Control Title	Control Owner
KCC's Strategic Statement agreed by County Council and published setting out objectives and priorities for the Council.	Roger Gough, Leader of the Council
Medium Term Financial Plan and Budget Book agreed by Full Council and support/briefings provided for all political groups by officers on budget development options.	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Effective internal audit arrangements in place and robust monitoring arrangements for the delivery of internal audit recommendations to Governance & Audit Committee	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Appropriately detailed and timely financial monitoring reports considered by Cabinet and Cabinet Committees	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Governance reviews from across the local government sector are analysed to identify any lessons learned and reported to relevant stakeholders, including Governance & Audit Committee.	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Appropriate officer development and training programme in place and overseen by CMT	Paul, Royel, Director HR and OD
Appropriate and effective corporate risk management procedures in place for the Council	David Whittle, Director SPRCA
Informal governance arrangements authorised by the KCC Constitution have been published on KNet as a practical guide for how officers work with elected Members to help them support effective decision making for our service users, residents and communities.	David Whittle, Director SPRCA
Operating standards for KCC officers that support KCC's constitution published on KNet, signposting officers to essential policy information and additional guidance on specific topics, to help officers discharge their responsibilities effectively.	David Whittle, Director SPRCA
Key and significant decision-making process in place for Executive decisions and appropriately published Forward Plan of Executive Decisions	Ben Watts, General Counsel and KCC Data Protection Officer

Annual Governance Statement (AGS) arrangements in place with returns made across both senior and statutory officers.	Ben Watts, General Counsel and KCC Data Protection Officer	
Democratic Services support effective Committee governance and scrutiny arrangements.	Ben Watts, General Counsel and KCC Data Protection Officer	
Member and Officer codes of conduct in place and robustly monitored and enforced	Ben Watts, General Counsel and KCC Data Protection Officer	
Member development and training programme in place and overseen by Selection and Member Services Committee	Ben Watts, General Counsel and KCC Data Protection Officer	
Provision for Chief Officers to seek written direction from Executive Members within the KCC Constitution	Ben Watts, General Counsel and KCC Data Protection Officer	
Appropriate performance reporting of service and corporate performance to Cabinet, Cabinet Committee and Full Council	David Whittle, Director SPRCA	
Action Title	Action Owner	Planned Completion Date
Review of KCC Informal Governance arrangements and Operating Standards	David Whittle, Director SPRCA	June 2023
Completion of the activities required, including the review of the Constitution, to ensure that the Chief Executive Officer (CEO) has a fit for purpose support and governance structure (as agreed by the County Council) to continue the effective discharge of duties.	David Cockburn, CEO / Ben Watts, General Counsel	June 2023

Risk ID	CRR0049	Risk Title	Fraud and Error			
Source / Cause of risk		Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
As with any organisation, there is an inherent risk of fraud and/or error that must be acknowledged and proactively managed.		Failure to prevent or detect significant acts of fraud or error from internal or external sources, in that within any process or activity there are:	Financial loss leading to pressures on budgets that may impact the provision of services to service users and residents	On behalf of CMT:	Very likely (5)	Moderate (2)
The fraud threat posed during emergency situations is higher than at other times, and all public bodies should be attuned to the risks facing their organisations and the public sector. This is further impacted by inflation and the cost-of-living crisis.		<ul style="list-style-type: none"> - false representations are made to make a gain or expose another to a loss - failure to notify a change of circumstances to make a gain or expose another to a loss - abuses their position, in which they are expected to safeguard to make a gain or expose another to a loss. 	Reputational damage, particularly if the public see others gaining services or money that are not entitled to, leading to resentment by the public against others.	Zena Cooke, Corporate Director Finance (Section 151 Officer)	Target Residual Likelihood	Target Residual Impact
It is critical that management implements a sound system of internal control and always demonstrates commitment to it, and that investment in fraud prevention and detection technology and resource is sufficient.				Responsible Cabinet Member(s):	Very likely (5)	Minor (1)
This includes ensuring that new emerging fraud/error issues are sufficiently risk assessed.				Peter Oakford, Finance, Corporate and Traded Services		Timescale to Target TBC
		Given the size and complexity of KCC, with a significant number of payments going to a wide range of suppliers and other public bodies, whom have a legitimate need to amend their bank details, that this process is used to submit a fraudulent change of bank details (mandate fraud) to KCC in order to divert funds.				

Control Title	Control Owner
KCC is part of the Kent Intelligence Network (KIN), a joint project between 12 district councils, Medway Council, Kent Fire & Rescue and Kent County Council which analyses and data matches financial and personal information to allow fraudulent activity in locally administered services to be detected more proactively within Kent.	Nick Scott, Operations Manager, Kent Intelligence Network / James Flannery, Counter-Fraud Manager KCC
Training and awareness raising is conducted periodically.	James Flannery, Counter-Fraud Manager
An agreed Memorandum of Understanding is in effect with partners (District Councils, Police and Fire Service) outlining the minimum standards expected to be applied by collection authorities (District Councils) to address fraud and error relating to council tax and business rates. Additional work jointly funded to identify and investigate high risk cases based on each authority's share of the tax base.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Internal Audit includes proactive fraud work in its annual audit plan, identifying potential areas where frauds could take place and checking for fraudulent activity.	Jonathan Idle, Head of Internal Audit
Whistleblowing Policy in place for the reporting of suspicions of fraud or financial irregularity	James Flannery, Counter-Fraud Manager
Preventing Bribery Policy in place, presenting a clear and precise framework to understand and implement the arrangements required to comply with the Bribery Act 2010.	James Flannery, Counter-Fraud Manager
Anti-fraud and corruption strategy in place and reviewed annually	James Flannery, Counter-Fraud Manager
Counter Fraud Manager liaises with CMT regarding all new policies, initiatives and strategies to be assessed for the risk of fraud, bribery and corruption through engagement with the Counter Fraud Team.	James Flannery, Counter-Fraud Manager
Systems of internal control which aim to prevent fraud and increase the likelihood of detection	Corporate Management Team
Fraud risk assessments have been developed by the Counter-Fraud team and are being considered by service directorates to aid awareness and facilitate appropriate mitigations.	James Flannery, Counter-Fraud Manager
Commissioning standards reviewed, including rules relating to "Spending the Council's Money", which have been clarified.	Clare Maynard, Interim Strategic Commissioner
KCC Counter Fraud & Trading Standards are a member of the Kent Fraud Panel to help inform current fraud trends and emerging risks that may impact KCC and its residents.	James Flannery, Counter-Fraud Manager

Participate in the National Fraud Initiative exercise every two years to identify any fraud and error within key risk areas.	James Flannery, Counter-Fraud Manager
Counter Fraud Action plan in place to manage resources in conducting reactive and proactive work across KCC.	James Flannery, Counter-Fraud Manager
Process maps are in place to inform Control Team on the correct process to request a change of bank details.	Mark Sage, Corporate Accountant
Training of staff involved in the updating of bank details is in place to inform them of the agreed process.	Mark Sage, Corporate Accountant
Guidance is available on the Finance Page on KNet to inform those who receive change of bank details on the agreed process and this is communicated to payment, commissioning and contract management teams across KCC.	Mark Sage, Corporate Accountant
Mandate fraud risks are communicated as part of the fraud awareness sessions.	James Flannery, Counter-Fraud Manager
Any queries received on missing payments from suppliers is cross checked against recent change of bank requests to alert a possible mandate fraud.	Mark Sage, Corporate Accountant
Response Plan is in place within the Control Team to deal with any actual mandate frauds that have been identified.	Mark Sage, Corporate Accountant
Communication of mandate fraud / cyber security to KCC supply chain.	Clare Maynard, Strategic Commissioner

Risk ID	CRR0053	Risk Title	Capital Programme Affordability (impacts on performance and statutory duties)			
Source / Cause of risk		Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
The affordability of the capital programme presents a number of risks to specific programmes, including Highways, Schools and the KCC Estate more broadly.		Impact on ability to meet operational requirements and/or statutory duties.	Business interruption due to increasing level of reactive / emergency repairs, or parts of estate decommissioned (in whole or partially if deemed unsafe)	On behalf of CMT:	Very Likely (5)	Major (5)
The uncertainty includes capital expenditure funded by grants, many of which are crucial to delivery of statutory services, Ongoing investment to maintain and modernise our assets competes with the priority to protect frontline services from effects of public sector funding restraint.		Inability to invest in new infrastructure.	Health and safety incidents (potentially serious) associated with asset degradation.	Zena Cooke, Corporate Director Finance (Section 151 Officer)	Target Residual Likelihood	Target Residual Impact
There are a number of geo-political uncertainties in the current environment which additionally impact on the financial and operating environment.		Increase in maintenance backlogs.	Inability to meet statutory duties e.g. lack of appropriate school place provision.	Responsible Cabinet Member(s): Peter Oakford Cabinet Member for Corporate and Traded Services	Likely (4)	Serious (4)
The construction industry is experiencing acute inflation pressures, long material lead time and sporadic material supply. Directly linked to material and labour shortages. Current inflationary pressures are impacting on the capital programme significantly.		Emergency works on essential sites are prioritised to avoid serious health and safety incidents, with knock-on impacts for non-priority sites.	Non-priority sites may not be maintained to a sufficient standard and may not be safe and fit for purpose leading to building closures. Assets not maintained sufficiently now will require future additional spend to maintain with the possibility of reactive costs which may create a revenue pressure.			Timescale to Target 3+ years

<p>Expectations of key stakeholders on capital spend.</p> <p>Risks associated with changes in legislation related to developer contributions. This could lead to a requirement for significant forward funding.</p> <p>The level of borrowing to fund the capital programme is not sustainable and the impact on the revenue budget is significant.</p>	<p>Delays result in additional inflationary costs.</p> <p>Funding annual rolling programmes from borrowing is unsustainable.</p>
Control Title	Control Owner
Asset safety factors associated with our assets are considered during the budget setting process.	Zena Cooke, Corporate Director Finance (Section 151 Officer)
An annual programme of planned preventative maintenance is undertaken at KCC sites by the relevant Facilities Management contract partners	Tony Carty, Head of Facilities Management
Prioritisation of the most urgent works across KCC sites	Jo Taylor, Head of Project Management, Property division
10-year capital programme published as part of the 23-33 capital programme. This identifies projected costs for some of the rolling programmes and a separate section of potential stand-alone projects which are markers and will need to have a full business case and identified funding planned evaluated and agreed.	Cath Head, Head of Finance (Operations)
Infrastructure is working with Area Education Officers to communicate to schools regarding their obligations for maintenance and their responsibilities for repairs under financial thresholds	James Sanderson, Head of Property Operations
Review of KCC estate – Future Assets Programme. Business cases for each of the three workstreams are being developed (Office Estate, Community Buildings, Specialist Assets) with associated consultations.	Rebecca Spore, Director of Infrastructure
Lobbying central Government re capital grants relating to Highways.	Haroona Chughtai, Director Highways and Transportation
Extensive lobbying of Government in relation to capital funding.	Zena Cooke, Corporate

Director Finance

Action Title	Action Owner	Planned Completion Date
Identify alternative funding options for annual rolling programmes to reduce the reliance on borrowing.	Cath Head (Head of Finance Operations), Dave Shipton Head of Finance (Policy, Planning & Strategy)	October 2023 (review)
External funding bid for 'priority school build programme' (DfE) has been submitted, awaiting confirmation of total funded costs.	James Sanderson, Head of Property Operations	June 2023 (Review)

Risk ID	CRR0054	Risk Title	Supply Chain and market challenges			
Source / Cause of risk		Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
Competition and availability of workforce and materials for both KCC and its suppliers.		Interruptions / disturbances within supply chain.	Material third parties / key suppliers are unable to provide services leading to KCC not meeting statutory requirements.	On behalf of CMT:	Likely (4)	Major (5)
Economic uncertainty, for example interest rates, and the impact of inflation on existing and future contracts.		Suppliers unable to meet required levels of service or not provide all services.		Clare Maynard, Interim Strategic Commissioner	Target Residual Likelihood	Target Residual Impact
Sustainability of suppliers in some markets, and whether they have sufficient resilience to still deliver when impacted by internal/external risks whether they be operational or financial.		Incorrect or fraudulent payments made.	Financial loss leading to pressures on budgets that may impact the provision of services to service users and residents.	Responsible Cabinet Member(s):	TBC	TBC
Fraud and Error – fraud within supply chains or errors with payments to suppliers.		Suppliers becoming insolvent.		Roger Gough, Leader of the Council		Timescale to Target
Serious and Organised Crime – inadvertently contracting with Organised Crime Groups within supply chains.		Loss of/access to KCC data	Reputational damage, particularly if the public see others gaining services or money that are not entitled to, leading to resentment by the public against others.	Peter Oakford, Finance, Corporate and Traded Services		1-2 years
Changes to the regulatory environment, including environmental impacts.						
Suppliers within the chain lack sufficient controls to manage data effectively and keep it safe.						

Visibility of route to source.

There are a number of geo-political uncertainties in the current environment which additionally impact on the financial and operating environment. For example, the supply chain challenges as a result of global lockdowns, rising inflation and the war in Ukraine.

Inconsistent/ineffective application of contract managements processes across the organisation.

Control Title	Control Owner
Commissioning Standards Tools and templates – including terms and conditions in place for the organisation to ensure consistency of process	Louise Merchant, Senior Commissioner
Robust checking of suppliers during tender stage and continuing to look at market intelligence on suppliers and market sectors	Strategic Commissioning Management Team
Commissioning Support Unit providing support to Commissioners around compliance and standards	Clare Maynard, Interim Strategic Commissioner
Ongoing review of providers' performance and financial sustainability through effective contract management and working closely with the Performance and Analytics unit to ensure evidence is provided to support decision making.	Strategic Commissioning Management Team
Spending the Council's Money (procurement policy)	Clare Maynard, Interim Strategic Commissioner
Training programmes in place for commissioning and contract management	Louise Merchant, Senior Commissioner
Review of terms and conditions of main contracts to ensure arrangements for UKGDPR, Modern Slavery Action requirement etc are sufficient.	Louise Merchant, Senior Commissioner

Contract Management Review Group (CMRG) relaunched to periodically review a selection of contracts for compliance purposes and to identify best practice/process improvements	Louise Merchant, Senior Commissioner	
Working group set up to review risk of Serious and Organised Crime in supply chain procedures.	Natalie Liddiard, Intelligence and Standards Manager	
Officers are working with providers to help with costs, including accessing grants for energy efficiencies, energy deals through Commercial Services, and advice on reviewing general operating costs	Relevant Service / Contract Managers	
Proposal to review Strategic Commissioning key performance information and supply chain issues with Corporate Management Team on a regular basis.	Clare Maynard, Interim Strategic Commissioner	
Inflation clauses are written into some but not all contracts commissioned via Strategic Commissioning. Corporate Finance have been provided with data as to where inflation clauses exist. Where impact of inflation on contracts is being managed by negotiation and reported to Finance Business Partners.	Clare Maynard, Interim Strategic Commissioner	
Providers encouraged to register their premises with energy companies to ensure that if there is a loss of power, they will have same energy privileges as hospitals.	Clare Maynard, Interim Strategic Commissioner	
Action Title	Action Owner	Planned Completion Date
Review of the ‘Spending the Council’s Money policy to ensure it is fit for purpose	Clare Maynard, Interim Strategic Commissioner	March 2023
Post implementation review of the Commission Standards Tools and Templates.	Louise Merchant, Senior Commissioner	April 2023
Working group set up to review risk of Serious and Organised Crime (SOC) in supply chain and update procedures accordingly.	Carrie Hartwell, SOC Coordinator	March 2023 (review)

Risk ID	CRR0058	Risk Title	Recruitment and retention of the workforce			
Source / Cause of risk		Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
Attracting, and retaining staff continues to be reported as a challenge across directorates.		Workforce capacity challenges - insufficient staff to meet service demands.	Impact on productivity	On behalf of CMT	Likely (4)	Serious (4)
Rolling turnover rate has increased to over 15% in the latter half of 2022, compared to 14.7% in April 22 and 9% in March 2021. Turnover rates for Q1 and Q2 2022 are in line with comparator authorities in the sector.		Inability to progress service development	Impact on performance and / or delivery of statutory functions.	Paul Royel – Director of HR OD	Target Residual Likelihood	Target Residual Impact
There is a need to ensure that a suitably qualified, skilled and experienced workforce is in place to deliver services.		Impact on budgets from use of agency staff/contractors to fill roles.	Lack of experienced staff with specialist skills	Responsible Cabinet Member(s):	Possible (3)	Significant (3)
National skills shortages in key areas, such as social work, Trading Standards, Coroners and technical roles for example surveyors and public health consultants are adding to difficulties with filling vacancies and increasing competition between employers.			Loss of corporate memory	Shellina Prendergast		Timescale to Target
The proximity of Kent to London presents challenges regarding pay in some parts of the county.			Reliance on interim and agency staff	Communication s and People		1-3 years
			Low staff morale			
			Impact on delivery of projects to expected timescales.			
			Employer and Service Reputational damage			

<p>Buoyant market for the workforce opportunities to work remotely provide applicants with greater flexibility and choice of workplace.</p>	
Control Title	Control Owner
Regular engagement with recognised trades unions.	Paul Royel, Director HR and OD
People Strategy for 2022-2027 approved by Personnel Committee	Paul Royel, Director HR and OD
KCC's Organisation Design principles set out and periodically refreshed and monitored to ensure they remain fit for purpose.	Paul Royel, Director HR and OD
Promoting even more regular communications between managers and their teams while working remotely via "Good Conversations" tools etc.	Diane Trollope, Head of OD and Engagement
KCC's values, behaviours and culture embedded by managers, linked to KCC Strategic Reset programme.	Diane Trollope, Head of OD and Engagement
Workforce profile report for the Personnel Committee gives detailed analysis on staffing levels and provides comparator information on previous years – now being provided more regularly to Personnel Committee for Member oversight and scrutiny.	Paul Royel, Director HR and OD
Workforce planning and appropriate career development and succession planning mechanisms in place.	Paul Royel, Director HR and OD
Regular staff survey conducted, followed by facilitation of engagement and action plans with senior management. Includes predictive analytics to explore key drivers of intention to leave to enable appropriate responses to develop.	Diane Trollope, Head of OD and Engagement
Targeted advice, support and interventions available via HR business partners for areas of particular recruitment / retention concern relating to key roles.	Paul Royel, Director HR and OD

Action Title	Action Owner	Planned Completion Date
Communication, implementation, and measurement of the impact of the People Strategy.	Paul Royel, Director HR and OD	June 2023 (First annual review)
Implementation of action plans arising from latest staff survey (conducted December 2022)	Corporate Management Team	June 2023