

By: Roger Gough, Cabinet Member for Business Strategy,  
Performance and Health Reform

To: Governance and Audit Committee – 29<sup>th</sup> November  
2011

Subject: **REVIEW OF KCC'S RISK MANAGEMENT  
FRAMEWORK**

Classification: Unrestricted

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**Summary:**

The Governance and Audit Committee is responsible for the annual review of the Council's Risk Management Policy and procedures. The Governance and Audit Committee are asked to approve the revised Risk Management Policy and note the progress to date.

**FOR DECISION**

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**1. Introduction and background**

- 1.1 KCC's Risk Management Policy and Framework is reviewed annually to ensure that it remains up to date and relevant. Following significant organisational change within the Council it is appropriate and timely to provide updates on their realignment.
- 1.2 The changes made within the attached policy are based on the Office of Government Commerce's model guidelines and ensure alignment to our new priorities, streamlining our approach within the "one council" model and encompassing roles for new bodies such as the Performance and Delivery
- 1.3 Responsibility for our risk management approach has now transferred from Finance and Procurement to Business Strategy and we have appointed an interim Corporate Risk Manager and are currently establishing a small corporate risk management team. The team's aims will be to provide and implement a risk management framework that enables managers and officers to ensure risk management remains a key focus and is actively managed.
- 1.4 To support the policy presented today and those who will apply it, we are preparing procedures in the form of a Risk Management Statement of Required Practice (SORP) and User Guidance. We have obtained feedback from users and are applying it to inform the design of these documents. The SORP will be agreed by lead Cabinet Members and is due for launch in December 2011. A copy will be circulated to Members of this Committee.
- 1.5 We are currently developing a Corporate Risk Register, with information gathered from a series of Cabinet and Corporate Management Team workshops, to be made available for approval in December 2011.
- 1.6 Work is underway to evaluate, determine and deliver practical and effective options for promoting awareness of risk management, enhancing user capability and training.

- 1.7 The policy document presented focuses on the Strategic Risk Management specialism. We are liaising with other areas of the Council where other risk specialisms operate, such as Business Continuity, Anti-Fraud, Health and Safety, etc., to ensure consistency in approach where possible.
- 1.8 Links with Internal Audit will be maintained to share information on risk that will inform the preparation of the Annual Audit Plan and, following the separation of risk management responsibility from Internal Audit, allow audits of our risk management arrangements to be conducted with a greater degree of independence.
- 1.9 It is an objective of this committee to ensure; *Risk Management and Internal Control Systems are in place that are adequate for purpose and effectively and efficiently operated*. Cabinet Members have considered the refreshed policy and now seek Governance and Audit Committee approval for its implementation. A copy of the refreshed Risk Management Policy is presented with this covering report.

## **2. Recommendations**

- 2.1 That Members note the progress and the planned activity on risk management presented in this report.
- 2.2 That Members of the Governance and Audit Committee, on behalf of the County Council, APPROVE the Risk Management Policy for the coming year.
- 2.3 That Members of the Governance and Audit Committee receive a further update on risk management at an agreed future date.

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