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To: Governance and Audit Committee – 18th April 2012

Subject: **CORPORATE RISK REGISTER**

Classification: Unrestricted

Summary:

It is a responsibility of this Committee to ensure the following outcome; *Risk Management and Internal Control Systems are in place that are adequate for purpose and effectively and efficiently operated.*¹ It is appropriate therefore that the Governance & Audit Committee is informed of the development and management of the Council's Corporate Risk Register (CRR).

FOR INFORMATION

1. Introduction and background

- 1.1 It is recognised good practice for Local Authorities to develop and maintain a register of those risks that may impact the achievability of their corporate ambitions and vision.
- 1.2 During the latter half of 2011, KCC's Risk Management team, in conjunction with Zurich Municipal (KCC's contracted insurance provider), facilitated a Risk Workshop for our Pioneer Group and two joint Risk Workshops for CMT / Cabinet Members. The output from the workshops provided a basis to establish a draft register outlining eleven corporate risks.
- 1.3 During December 2011 the Risk Management team liaised with Corporate Directors and their teams to refine the outputs from the last workshop into a final draft CRR with a working version being issued on the 3rd January 2012 following consultation with Cabinet Portfolio Holders. A 'Short' version of the CRR was also released for inclusion in the KCC Medium Term Financial plan.
- 1.4 The CRR is a 'living' document and it is well recognised that risks can change as a result of external and internal events. Between January and March this year, Risk Owners have, where necessary, made appropriate changes to the risks. All amendments are recorded in a Change Log to provide an Audit Trail.
- 1.5 A further joint CMT / Cabinet Member Risk Workshop was held on the 26th March 2012 to undertake an initial 3 month review / update of the CRR, examine how the CRR has been managed to date and to determine communication plans for the CRR under KCC's new governance arrangements.

¹ KCC Constitution – Page 30, Governance and Audit Committee

2. KCC Corporate Risk Register

- 2.1 A copy of the Corporate Risk Register is attached for Members' reference. Please note that this is currently undergoing a refresh following review by the CMT / Cabinet at the recent Risk Workshop.
- 2.2 The 11 corporate risks identified by CMT and Cabinet Members are presented individually from page 4 onwards. Each of the 11 entries provides a full assessment and evaluation of the risk, current controls and further containment / mitigating actions being taken by directorates.
- 2.3 The Summary Risk Profile on page 3 provides a graphical representation of the corporate risk landscape. The current level of risk is represented by the positions of the risk titles. The numbered boxes represent the corresponding Risk ID number and are positioned to show the target risk levels.
- 2.4 The contents of the CRR will be migrated to a corporate risk management database in May / June 2012 enabling Risk Owners and Risk Actionees to monitor and manage risks and actions and to make adjustments as they arise. The database will maintain an audit trail of changes and can be configured to prompt reviews and risk escalation. It is proposed that both the Cabinet and this committee are provided with an up to date copy of the CRR every 6 months for review. There will still be the option for Members to request risk information at any time.

3. Recommendations

- 3.1 That the Governance and Audit Committee note the assurance provided in relation to the development and maintenance of the Corporate Risk Register attached to this report.

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