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Support

To: Governance and Audit Committee – 19th December 2012

Subject: **CORPORATE RISK REGISTER**

Classification: Unrestricted

Summary:

Governance & Audit Committee receives the Corporate Risk Register every six months for assurance purposes. The register has recently been refreshed and is presented to the Committee along with an overview of the key changes and an outline of the ongoing process of monitoring and review.

FOR ASSURANCE

1. Introduction and background

1.1 The Corporate Risk Register is maintained by the Corporate Risk Team on behalf of Cabinet and the Corporate Management Team. The register is formally reviewed annually, but is a 'living document' and is reviewed and updated in-year to reflect any significant new risks or changes in risk exposure that may arise due to internal or external events; and to track progress against mitigating actions.

2. Corporate Risk Register Refresh

2.1 The Corporate Risk Register has been refreshed to take into account comments from Cabinet Members and the Corporate Management Team and information gathered from Directorate Management Teams. It was presented to Cabinet on 3rd December 2012.

2.2 The Corporate Risk Register still contains eleven risks; although the composition of risks has changed since last reported to Governance & Audit Committee in April. A risk relating to Welfare Reform was added in the summer of 2012, and as part of the recent autumn refresh two further risks have been added to the Corporate Register, relating to delivery of savings and procurement.

2.3 Three risks have now been transferred from the Corporate Register to the relevant directorate registers. They are:

Risk Title	Reason(s) for Delegation
CRR 7 – Governance & Internal Control	Low-to-medium level of risk (score of 9) and actions relating to change in KCC governance arrangements now completed and classified as controls.

Risk Title	Reason(s) for Delegation
CRR 8 – Academies independence from KCC	Risk being managed at directorate level.
CRR 11 – Responsiveness to emerging Government Reforms and Directives	Low-to-medium level of risk (score of 9) and specific areas of reform requiring action are captured elsewhere on register (i.e. Health and Welfare reforms)

- 2.4 If the level of risk in these areas is judged to increase, they will be escalated back up to Corporate Management Team and Cabinet Members for review and potentially placed back onto the Corporate Register.
- 2.5 Of the eleven risks, there are three areas of risk currently rated as “High”. These relate to safeguarding; management of social care demand; and potential implications of the Welfare Reform Act. The other eight risks are currently rated as “Medium”.
- 2.6 The majority of current risk ratings have remained the same, with the exception of Organisational Transformation, which has been judged to have reduced overall from a score of 16 to 12 (although the risk is still deemed to be ‘Medium’); and Localism, which has been reassessed as ‘Medium’ rather than ‘High’.
- 2.7 Further details of these risks, including controls and mitigating actions, are contained in the register at appendix 1.
- 2.8 The Corporate Risk Team has been working with directorates to ensure that the Corporate Risk Register is underpinned by Divisional and Directorate Risk Registers, from which risks can be escalated in accordance with KCC’s Risk Management Policy. Directorate Risk Registers are to be reported to Cabinet Committees in January alongside draft 2013/14 business plans.

3. Monitoring & Review

- 3.1 There is a particular 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 quarterly to Cabinet via the Quarterly Performance Report. Insufficient progress against mitigating actions will be referred to the Performance & Evaluation Board.
- 3.2 Risks that may prevent Services from achieving the Authority’s business objectives should be highlighted in business plans and mitigating actions developed and reflected within those plans.

4. Risk Management Information System

- 4.1 The contents of the Corporate Risk Register have been entered onto a risk management database, which is being developed as a central repository of

risk information, thus enabling risk and action owners to monitor and manage risks and actions and to make adjustments as they arise. Piloting of the database is being finalised, with risk registers from across the directorates being added, and key reports are being configured to facilitate analysis of interdependencies between risks and gain an improved picture of cumulative risk exposure.

5. Recommendations

- 5.1 The Governance and Audit Committee is asked to NOTE the assurance provided in relation to the development and maintenance of the Corporate Risk Register.

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