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To: Governance and Audit Committee – 24th July 2014

Subject: **CORPORATE RISK REGISTER**

Classification: Unrestricted

Summary:

Governance & Audit Committee receives the Corporate Risk Register every six months for assurance purposes. The register is presented to the Committee along with an overview of the changes since last presented 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

- 2.1 The Corporate Risk Register contains fourteen risks. Changes since the register was last reported to Governance & Audit Committee in December 2013 are as follows:
- 2.2 CRR 3: Access to resources to aid economic growth and enabling infrastructure. The risk now reflects the recent work on the local Growth Deal to secure government funding via the Strategic Economic Plan.
- 2.3 CRR 10a and 10b: The previous management of social care demand risk has been split into adults and children's services due to the differing drivers behind them.
- 2.4 CRR 13 Delivery of 2014/15 savings: The risk level has been reduced from 'high' to 'medium'. It is proposed that the risk explicitly reflects the medium term picture when the risk register is formally refreshed in the autumn.
- 2.5 CRR 14 Procurement: The risk level has been reduced from 'high' to 'medium' to reflect the work to bring greater consistency to procurement arrangements across the council. Further work will feed into the broader umbrella of how KCC moves further towards its goal of becoming an outcomes-focused

strategic commissioning authority, as outlined in the paper to County Council in May 2014.

- 2.6 CRR 18 – Public Services Network, compliance with Government ICT security standards. This is a new risk added, as all local authorities are being required to meet more stringent security standards during the coming year to ensure continuing compliance. A work plan is in place for KCC to address this.
- 2.7 CRR 19: Care Act Implementation. This risk was previously referenced as part of the management of adult social care demand risk but has now been added as a risk in its own right due to the potential scale of the implications and importance of thorough preparations.
- 2.8 To summarise, out of the fourteen risks there are three areas of risk currently rated as “high”, with the other eleven rated as medium. The high risks relate to the management of demand in both adults and children’s social care and the future operating environment / landscape for local government. All risks have mitigating actions in place that aim to achieve a target residual rating of ‘medium’ or ‘low’.
- 2.9 Inclusion of risks on this register does not necessarily mean there is a problem. On the contrary, it can give reassurance that they have been properly identified and are being managed proactively.
- 2.10 Further details of these risks, including controls and mitigating actions, are contained in the register at appendix 1.
- 2.11 The Corporate Risk Team supports directorates to ensure that the Corporate Risk Register is underpinned by divisional / service and directorate risk registers, from which risks will be escalated in accordance with KCC’s Risk Management Policy. Directorate risk registers are formally reviewed quarterly by Directorate Management Teams and are reported annually to Cabinet Committees.

3. Monitoring, Review and Reporting

- 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.
- 3.2 In addition, the corporate risks relevant to each Cabinet Committee are being reported in the summer round of Committees along with the directorate risk register, allowing for discussion of these risks with the relevant Risk Owners and responsible Cabinet Members. The output from these discussions will inform directorate risk registers and aid the formal annual refresh of the Corporate Risk Register.

4. Risk Management and Transformation

- 4.1 It is likely that the Authority's risk profile will continue to evolve during the coming months as KCC's transformation agenda progresses. Key risks relating to KCC's *Facing the Challenge* transformation programme are regularly monitored by the Corporate Directors and the Transformation Advisory Group.

5. Recommendations

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

6. Background Documentation

- 6.1 [KCC Quarterly Performance Report Q4 2013-14](#)

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