From: **Paul Carter, Leader and Cabinet Member for Business Strategy, Audit & Transformation**

David Cockburn, Corporate Director for Strategic & Corporate Services

To: **Cabinet – 12th December 2016**

Subject: **Corporate Risk Register**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: Governance & Audit Committee – 25th Jan 2017

Electoral Division: ALL

Summary:

This paper presents the latest version of the Corporate Risk Register for the Authority.

Cabinet Members are asked to NOTE the report.

1. Background

1.1 The Corporate Risk Register is a 'living document' and is regularly reviewed and updated to reflect any significant new risks or changes in risk exposure that arise due to internal or external events; and to track progress against mitigating actions. It is subject to a more formal review each autumn.

2. Corporate Risk Register (appendix 1)

2.1 The latest version of the Corporate Risk Register is attached at appendix 1. It has been refreshed to reflect key themes arising from meetings with individual Corporate Management Team, Cabinet Members and Directorate Management Teams during the autumn. Comments arising from presentation of corporate risks to Cabinet Committees and the Governance & Audit Committee during the year have also been taken into account.

2.2 Individual meetings held with Cabinet Members and CMT demonstrated that there is clarity on what are seen as the main risks, both in relation to respective portfolios / directorates and wider KCC concerns. There remains a strong correlation between these views and risks already captured on directorate or corporate risk registers, which would indicate that the current risk management identification process is robust, although there is the continuing need to be alert to new or emerging risks.

2.3 The context to a number of risks has been changing over recent months, and as a result, the corporate risk register is being revised to reflect the points made. The main changes since it was presented last year are:

- CRR 1: Data and information management - this risk is being closed and replaced by a more specific risk around cyber and information security threats and associated IT and organisational resilience concerns (CRR 26);
- CRR 9: The Health & Social Care integration risk has been re-modelled around Sustainability and Transformation Plan delivery rather than Better Care Fund;
- CRR 12: The context of this risk has been refined to acknowledge community cohesion concerns that could arise from any significant migration into Kent, in addition to pressures on social care, school places etc.
- CRR 23: The risk is refined slightly to more explicitly cover risks and opportunities as KCC's approach to strategic commissioning evolves.
- CRR 24: Delivery of 2016/17 savings - this risk has been raised from amber to red due to the continuing projected overspend. Additional mitigation options are being discussed by the Corporate Management Team and Cabinet should the position not improve considerably by early January.
- CRR 27: A social care risk has been escalated to the corporate register regarding care market concerns, including sustainability of care home and domiciliary care markets.
- CRR 28: An Education and Young People's Services directorate risk has been escalated to the corporate risk register. This relates to the delivery of new school places being constrained by capital budget pressures and dependency on the Education Funding Agency (EFA) to deliver a number of Free School projects on time and to an appropriate standard.
- Note: In advance of the autumn refresh, the current and target 'impact' ratings for the safeguarding risks CRR2a and CRR2b were amended to more accurately reflect the severity of consequences should they occur i.e. potential serious harm or premature death of a vulnerable adult or child. Specifically, the current impact rating changed from 4 out of 5 ('serious') to 5 out of 5 ('major'), while the target rating increased from 3 out of 5 ('significant') to 5 out of 5 ('major'). This means that the total risk score is 20, with a target rating of 15.
- Opportunities and risks for Kent associated with the referendum result for the UK to leave the European Union are being taken into consideration in the context of each existing corporate risk in the coming months; a number of impacts are likely to be longer term, although the fall in the pound (not necessarily entirely connected to 'Brexit') and associated inflation risk is of more immediate concern.

2.4 Further details of these risks, including controls and mitigating actions, are contained in appendix 1.

2.5 In light of the refresh of the register, mitigating actions are subject to ongoing review to ensure continued relevance, especially where the context of a number of risks is changing. This will lead to a number of new mitigations being identified.

3. Monitoring and Review

3.1 The corporate risks led by each Corporate Director are presented to the relevant Cabinet Committees annually, alongside existing arrangements for presentation of directorate risk registers.

3.2 The corporate register is also presented to Governance & Audit Committee twice yearly for assurance purposes, and the Internal Audit function uses the register as one source of information to inform its audit plan for the coming year.

3.3 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 to Cabinet quarterly via the Quarterly Performance Report. This includes commentary against high risks.

4. Recommendation

Cabinet is asked to NOTE the refreshed Corporate Risk Register

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