

## Appendix One - Chief Executive and Deputy Chief Executive's Department-led Corporate Risks

Risk ID	CRR0009	Risk Title	Future financial and operating environment for Local Government			
<b>Source / Cause of risk</b>	<b>Risk Event</b>	<b>Consequence</b>	<b>Risk Owner (s)</b>	<b>Current Likelihood</b>	<b>Current Impact</b>	
The Government's Autumn Budget 2023 statement only included very high-level public spending plans and no individual department plans beyond 2024-25, and the Local Government Finance Settlement only covered 2024-25 with no indicative allocations for subsequent years. This means that although the funding for 2024-25 is now confirmed, the forecasts for later years are speculative, consequently planning has to be sufficiently flexible to respond accordingly.	Levels of spending and growth pressures across services outstrip the Council's core spending power, threatening the financial sustainability of KCC, its partners and service providers.  In order to set a balanced budget, the council is likely to have to continue to make significant year on year savings. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.  Continued delays and uncertainty surrounding review of local government funding impacts on KCC's medium term financial planning.	Unsustainable financial situation and potential drawdown from reserves, ultimately resulting in s114 notice.  Failure to deliver statutory obligations and duties or achieve social value.  Potential for partner or provider failure – including sufficiency gaps in provision.  Reduction in resident satisfaction and reputational damage.  Increased and unplanned pressure on resources.  Decline in performance.  Legal challenge resulting in reputational	On behalf of CMT:  John Betts, Acting Corporate Finance Director (Section 151 Officer)  <b>Responsible Cabinet Member(s):</b>  All Cabinet Members	V. Likely (5)  <b>Target Residual Likelihood</b> Likely (4)	Major (5)  <b>Target Residual Impact</b> Serious (4)  <b>Timescale to Target</b> 1-2 years	
Even so, it is clear that 2024-25 and the medium term to 2026-27 are likely to continue to be exceptionally challenging and will require significant spending reductions. Even though overall net cash is increasing, this is not sufficient to keep pace with						

forecast spending demands.

There is also no certainty that additional central government funding to address spending pressures in social care will be baselined/continued for future years.

The level of savings required in 2024-25 and over the medium term continues to be higher than in recent years driven largely by growth in spending rather than cuts in funding, representing a new and very specific challenge.

A significant financial risk for the Council is the continuing and increasing underlying deficit and accumulated debt on the High Needs Block of Dedicated Schools Grant (DSG), a forecast total of £178m as at 31st March 2024 (excluding contributions from KCC and DfE).

damage to the Council.

Impact on Council Tax.

Control Title	Control Owner
Budget Recovery Strategy – <i>Securing Kent's Future</i> – set, to address the in-year and future years financial pressures the council is facing and the specific and broader action that can be taken to return the council to financial sustainability.	Roger Gough, Leader of the Council / Amanda Beer, Chief Executive Officer.
Strategic Reset Programme established and reprioritised to focus on key budget delivery programmes.	Amanda Beer, Chief Executive Officer / Elizabeth Sanderson, SRP Strategic Lead.
Processes in place for monitoring delivery of savings and challenging targets to bear down on future cost growth, as well as the budget as a whole.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Forecasts for future spending growth to be revised as necessary once estimates become more certain and only finalised in controllable budgets once uncertainties have been resolved.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Regular analysis and refreshing of forecasts to maintain a level of understanding of volatility of demand and cost pressures, which feeds into the relevant areas of the MTFP and business planning process.	Richard Smith, Corporate Director ASCH / Sarah Hammond, Corporate Director CYPE / Simon Jones, Corporate Director GET
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation and delivery plans to support major savings.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Financial analysis conducted after each Chancellor of the Exchequer Budget Statement to review potential implications for future local government settlements.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Ensure evidence of any additional KCC spend required to cover impacts relating to new burdens imposed, e.g., EU exit, Supporting Families grant.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Regular monitoring and oversight of progress against KCC's 'Safety Valve' agreement with the Department for Education (DfE)	Sarah Hammond, Corporate Director (CYPE) / Christine McInnes, Director of Education

	/ Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Engagement with County Councils Network, Society of County Treasurers and other local authorities and Government of potential opportunities and issues around devolution and public service reform	David Whittle, Director SPRCA
KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet.	Matthew Wagner, Interim Chief Analyst, KCC
Ongoing monitoring and modelling of changes in supply and demand in order to inform strategies and service planning going forward.	Matthew Wagner, Interim Chief Analyst, KCC
Assessing impact and responding to Government plans with the potential for significant financial implications for the Council including adult and children's social care, changes to waste collection arrangements etc.	Richard Smith, Corporate Director ASCH / Sarah Hammond, Corporate Director CYPE / Simon Jones, Corporate Director GET / John Betts, Acting Corporate Director Finance
Ongoing policy analysis of the devolution agenda and devolution deals agreed by the government.	David Whittle Director SPRCA
Regular review of HM Treasury forecasts and Government planned spending levels for local government	John Betts, Acting Corporate Director Finance
Quarterly budget meetings between Cabinet Member for Finance and Corporate Director for Finance with Cabinet Members and Corporate Directors as relevant.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Monthly budget reviews involving the Chief Executive Officer, section 151 Officer and Corporate Directors to scrutinise progress against agreed budget savings.	Amanda Beer, Chief Executive Officer / John Betts, Acting Corporate Director Finance (Section 151 Officer)

<b>Action Title</b>	<b>Action Owner</b>	<b>Planned Completion Date</b>
Outcomes Based Budgeting approach being developed as a tool to strengthen links between outcomes and funding within resource envelopes, using robust analysis and evidence that includes aligning performance and finance information.	John Betts, Acting Corporate Director Finance	June 2024 (review)

Risk ID	CRR0014	Risk Title	Cyber & Information Security Resilience			
<p><b>Source / Cause of Risk</b></p> <p>Malicious (intentional) actions against KCC from individuals, cyber criminals and state sponsored attacks.</p> <p>Supply chain compromise including third party data transfers, vulnerabilities in purchased equipment and supplier system breaches.</p> <p>Human error leading to staff revealing information or taking actions which assist malicious actor in being able to affect systems or data, including responding to phishing emails and losing account credentials.</p> <p>Compromise of physical security controls and/or infrastructure including unauthorised access to data centres, network cables and natural disaster (flood, fires etc.)</p> <p>Gaps in existing resources and capabilities, including technological controls and resource challenges in provider's operational teams.</p>	<p><b>Risk Event</b></p> <p>Confidentiality, integrity and availability of data or systems is negatively impacted or compromised leading to loss of service, data breaches and other significant business interruptions.</p>	<p><b>Consequence</b></p> <p>Data Protection breach and consequent Information Commissioner's Office (ICO) sanction.</p> <p>Damages claims.</p> <p>Reputational Damage.</p> <p>Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.</p> <p>Loss or corruption of data.</p> <p>Loss of key systems potentially impacting ability to deliver statutory services.</p> <p>Partners unable to discharge their duties.</p> <p>Complaints.</p>	<p><b>Risk Owner(s)</b></p> <p>Lisa Gannon, Director of Technology</p> <p>Ben Watts, General Counsel and KCC Data Protection Officer</p> <p>Paul Royel, Director HR/OD</p> <p><b>Responsible Cabinet Member(s):</b></p> <p>Peter Oakford, Finance, Corporate and Traded Services</p> <p>Dylan Jeffrey Communications and People</p>	<p><b>Current Likelihood</b></p> <p>Likely (4)</p> <p><b>Target Residual Likelihood</b></p> <p>Likely (4)</p>	<p><b>Current Impact</b></p> <p>Major (5)</p> <p><b>Target Residual Impact</b></p> <p>Major (5)</p> <p><b>Timescale to Target</b></p> <p>At Target</p>	

<b>Control Title</b>	<b>Control Owner</b>
<p>Multiple layers of logical, physical and administrative security controls  Defence in depth is a key cyber security concept that the Authority adheres to, involving multiple layers of security control for protection from various threats.</p>	<p>James Church ICT  Compliance &amp; Risk Manager</p>
<p>Security engagement, training and awareness. Ongoing program of security engagement, training and awareness, upskilling staff to reduce human error. This includes communications, e-learning and training for staff.</p>	<p>James Church ICT  Compliance &amp; Risk Manager</p>
<p>Supply chain risk management  Program of activities to reduce supply chain risk, including tracking supplier security assurances.</p>	<p>James Church ICT  Compliance &amp; Risk Manager</p>
<p>Investment in and implementation of new controls and technologies including capabilities of M365 E5 licenses.  Cyber security threats are constantly evolving and therefore new tools and capabilities are required to keep up and mitigate the risk.</p>	<p>Dave Lindsay Interim Head of  Technology, Commissioning  and Strategy</p>
<p>Frequent security audits, penetration tests and compliance submissions  External review of security posture provides validation that our controls work and are being managed effectively.</p>	<p>James Church ICT  Compliance &amp; Risk Manager</p>
<p>Internal assurance programme including audits, risk assessment and vulnerability management.  Completion of internal audits and assurance audits to ensure cyber is being managed effectively. Continuing to action audit recommendations via the Consolidated Security Action Plan.  Risk assessments completed on new implementations to ensure that cyber risks are highlighted and treated.  Vulnerability management activities to identify and treat vulnerabilities in good time.</p>	<p>James Church ICT  Compliance &amp; Risk Manager</p>
<p>Data Protection and Information Governance training is mandatory and requires staff to refresh periodically.  Progress rates monitored regularly.</p>	<p>Ben Watts, General Counsel  and KCC Data Protection  Officer / Paul Royel, Director  HR/OD</p>
<p>Additional messages warning staff of cyber threats are being sent out regularly.</p>	<p>Diane Christie, Head of OD  and Engagement</p>
<p>Messages to encourage increased awareness of information security amongst staff are communicated to align with key implementation milestones of the ICT Transformation Programme.</p>	<p>Diane Christie, Head of OD  and Engagement</p>

Cyber standards and risk assessment have been included into the central ICT commissioning framework and a new risk assessment process is being finalised with expected completion by the end of September.	James Church ICT Compliance & Risk Manager
Supply chain risk management program including keeping an inventory of all ICT suppliers and third-party data transfers, cyber requirements built into procurement, regular assurance of supplier security to ISO 27001 and Cyber Essentials, and regular risk assessments carried out to identify supply chain risks.	James Church ICT Compliance & Risk Manager



<b>Risk ID</b>	<b>CRR0039</b>	<b>Risk Title</b>	<b>Information Governance</b>			
<b>Source / Cause of risk</b>	<b>Risk Event</b>	<b>Consequence</b>	<b>Risk Owner</b>	<b>Current Likelihood</b>	<b>Current Impact</b>	
<p>The Council is required to maintain the confidentiality, integrity and proper use, including disposal of data under the Data Protection Act 2018, which is particularly challenging given the volume of information handled by the authority on a daily basis.</p> <p>The Council has regulatory obligations into the management of SAR/FOI/EIR requests.</p> <p>United Kingdom General Data Protection Regulations (UK GDPR) came into effect that have introduced significantly increased obligations on all data controllers, including the Council.</p> <p>The Covid-19 pandemic has introduced new risks e.g., staff adapting to new ways of working and increasing information security threats.</p> <p>There is insufficient resource available to undertake comprehensive oversight / assurance activity that provides assurance on compliance with existing information governance standards.</p>	<p>Failure to embed the appropriate processes, procedures and behaviours to meet regulations.</p> <p>Failure to meet regulatory reporting deadlines.</p> <p>Information security incidents (caused by both human error and / or system compromise) resulting in loss of personal data or breach of privacy / confidentiality.</p> <p>Council accreditation for access to government and partner ICT data, systems and network is withdrawn.</p> <p>Cantium Business Solutions prioritises commercial work or does not undertake information governance compliance work in an appropriate and timely fashion.</p> <p>Providers and or suppliers processing KCC data fail to embed the appropriate processes and behaviours.</p> <p>Poor data quality negatively impacts AI algorithms</p>	<p>Information Commissioner's Office sanction (e.g., undertaking, assessment, improvement, enforcement or monetary penalty notice issued against the Authority).</p> <p>Increased risk of litigation.</p> <p>Reputational damage.</p> <p>Bias presenting in AI algorithms impacting outcomes and decision making.</p> <p>Loss of trust in automated decisions</p>	<p>Ben Watts, General Counsel and Data Protection Officer in collaboration with David Whittle, Senior Information Risk Owner</p> <p><b>Responsible Cabinet Member(s):</b></p> <p>Roger Gough, Leader</p> <p>Dylan Jeffrey Communications and Democratic Services</p> <p>Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services</p>	<p>V. Likely (5)</p> <p><b>Target Residual Likelihood</b></p> <p>Possible (3)</p>	<p>Significant (3)</p> <p><b>Target Residual Impact</b></p> <p>Significant (3)</p> <p><b>Timescale to Target</b></p> <p>1-2 years</p>	

There is a critical dependency on the Council's Local Authority Trading Companies (CBS) and other material third parties to support Information Governance compliance for the KCC systems and network.

KCC services' requirement for non-standard systems creates vulnerabilities.

Failure to manage data lawful when using automated decision making via algorithms.

<b>Control Title</b>	<b>Control Owner</b>
Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum.	Ben Watts, General Counsel and KCC Data Protection Officer / Paul Royel, Director HR and OD
Senior Information Risk Owner for the Council appointed with training and support to undertake the role.	David Whittle, Director SPRCA
ICT Commissioning function has necessary working/contractual relationship with the Cantium Business Solutions to require support on KCC ICT compliance and audit.	Dave Lindsay, Interim Head of ICT Commissioning and Strategy
Caldicott Guardian appointed with training and support to undertake the role.	Richard Smith, Corporate Director ASCH
A number of policies and procedures are in place including KCC Information Governance Policy; Information Governance Management Framework; Information Security Policy; Data Protection Policy; Freedom of Information Policy; and Environmental Information Regulations Policy all in place and reviewed regularly. Data Protection Officer in place to act as a designated contact with the ICO.	Ben Watts, General Counsel and KCC Data Protection Officer

Management Guide/operating modules on Information Governance in place, highlighting key policies and procedures.	Ben Watts, General Counsel and KCC Data Protection Officer	
Privacy notices as well as procedures/protocols for investigating and reporting data breaches reviewed and updated.	Caroline Dodge, Team Leader Information Resilience & Transparency	
Information Resilience and Transparency team in place, providing business information governance support.	Caroline Dodge, Team Leader Information Resilience & Transparency	
Cross Directorate Information Governance Working Group in place.	Michael Thomas-Sam, Strategic Business Adviser Social Care	
Corporate Information Governance Group established, chaired by the DPO and including the SIRO and Caldecott Guardian acting as a point of escalation for information governance issues and further escalation to the Corporate Management Team if required.	Ben Watts, General Counsel and KCC Data Protection Officer	
Implementation of recommendations from working from home and records management audits	Ben Watts, General Counsel and KCC Data Protection Officer	
Supply chain risk management program including keeping an inventory of all ICT suppliers and third-party data transfers, cyber requirements built into procurement, regular assurance of supplier security to ISO 27001 and Cyber Essentials, and regular risk assessments carried out to identify supply chain risks.	James Church ICT Compliance & Risk Manager	
Data breach process enhanced by automated system; changes included auto reminders to services where further information is required. More data is available on service performance in relation to breach management and also allow for timely escalation where appropriate	Peter Healey – GLD Delivery Officer	
<b>Action Title</b>	<b>Action Owner</b>	<b>Planned Completion Date</b>
Each directorate is responsible for carrying out data mapping exercises to find out what personal data is held and to understand how the information flows through the organisation – Implementation of recommendations from Internal Audit of data mapping	Hannah Rumball, Chair of Cross-Directorate Information Governance Working Group	March 2024 (review)
Implementation of action identified within the 2023/24 consolidated annual governance action plan – Information Asset Owners assurance on data controls within the supply chain	Ben Watts, General Counsel and KCC Data Protection Officer	April 2024 (Review)

<b>Risk ID</b>	<b>CRR0045</b>	<b>Risk Title</b>	<b>Maintaining effective governance and decision making in a challenging financial and operating environment</b>				
<b>Source / Cause of risk</b>	<b>Risk Event</b>	<b>Consequence</b>	<b>Risk Owner</b>	<b>Current Likelihood</b>	<b>Current Impact</b>		
<p>The continuation of a challenging financial and operating environment for Local Government (see risk CRR0009) will require difficult policy decisions to be made in a timely manner, which requires continued effective governance and decision making as well as robust internal control mechanisms. Examples from other local authorities has shown the impact that ineffective decision making can have on financial resilience. KCC's constitution explicitly references the demarcation of Member and Officer roles which consequently places dependency on the effectiveness of the member governance of the Council.</p> <p>In October 2023 the External Auditors issued a report on governance arrangements at the Council, which identified 22 recommendations including around strategic arrangements for delivering priorities, effective challenge to and scrutiny of decisions and the Councils structure, systems and behaviours.</p>	<p>Members are unwilling or unable to agree necessary policy (service) decisions within required timescales to deliver a legally balanced budget and sustainable medium-term financial plan (MFTP).</p> <p>Members agree a budget requiring unrealistic and undeliverable efficiency savings leading to significant in-year overspends.</p>	<p>Decisions challenged under judicial review on the appropriateness of the decision-making within KCC.</p> <p>Monitoring Officer / Head of Paid Service statutory report to Council.</p> <p>Reputational damage to the Council.</p> <p>S114 Notice issued by the S151 Officer.</p>	<p>Amanda Beer, Chief Executive Officer</p> <p>John Betts, Acting Corporate Director Finance (s151 Officer)</p> <p>Ben Watts, General Counsel and Monitoring Officer</p>	<p>Likely (4)</p>	<p>Major (5)</p>		
	<p>Statutory officers (S151, Monitoring Officer, Head of Paid Service) are required to use their powers to intervene or alert the Council to inappropriate/illegal decision-making.</p>			<p><b>Responsible Cabinet Member(s):</b></p> <p>Roger Gough, Leader of the Council</p> <p>Dylan Jeffrey, Communications and Democratic Services</p>	<p><b>Target Residual Likelihood</b></p> <p>Unlikely (2)</p>	<p><b>Target Residual Impact</b></p> <p>Major (5)</p>	<p><b>Timescale to Target</b></p> <p>1-2 years</p>

The External Auditors referred to their October 2023 report in their Annual Report of 2022/23, raising a key recommendation in regard to significant weaknesses in arrangements for governance, and noted that the same recommendation had been made in 2021/22. This was supported by findings in the Monitoring Officers annual governance statement who has noted that improvements need to be made if governance is to be effective, in both the 2021/22 and 2022/23 reports.

The external auditor stated that that there have been areas of improvement during the year including workshops, review of written governance processes and a Member development survey, however they also concluded that the culture, behaviours and standards should also keep pace with improvement work.

**Control Title**

Budget Recovery Strategy – *Securing Kent’s Future* – set, to address the in-year and future years financial pressures the council is facing and the specific and broader action that can be taken to return the council to financial sustainability.

**Control Owner**

Roger Gough, Leader of the Council / Amanda Beer, Chief Executive Officer

Medium Term Financial Plan and Budget Book agreed by Full Council and support/briefings provided for all political groups by officers on budget development options.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Effective internal audit arrangements in place and robust monitoring arrangements for the delivery of internal audit recommendations to Governance & Audit Committee.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Appropriately detailed and timely financial monitoring reports considered by Cabinet and Cabinet Committees.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Governance reviews from across the local government sector are analysed to identify any lessons learned and reported to relevant stakeholders, including Governance & Audit Committee.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
Appropriate officer development and training programme in place and overseen by CMT.	Paul, Royel, Director HR and OD
Appropriate and effective corporate risk management procedures in place for the Council.	David Whittle, Director SPRCA
Informal governance arrangements authorised by the KCC Constitution have been published on KNet as a practical guide for how officers work with elected Members to help them support effective decision making for our service users, residents and communities.	David Whittle, Director SPRCA
Operating standards for KCC officers that support KCC's constitution published on KNet, signposting officers to essential policy information and additional guidance on specific topics, to help officers discharge their responsibilities effectively.	David Whittle, Director SPRCA
Appropriate performance reporting of service and corporate performance to Cabinet, Cabinet Committee and Full Council.	David Whittle, Director SPRCA
Key and significant decision-making process in place for Executive decisions and appropriately published Forward Plan of Executive Decisions	Ben Watts, General Counsel and KCC Data Protection Officer
Annual Governance Statement (AGS) arrangements in place with returns made across both senior and statutory officers.	Ben Watts, General Counsel and KCC Data Protection Officer

Democratic Services support effective Committee governance and scrutiny arrangements.	Ben Watts, General Counsel and KCC Data Protection Officer	
Member and Officer codes of conduct in place and robustly monitored and enforced	Ben Watts, General Counsel and KCC Data Protection Officer	
Member development and training programme in place and overseen by Selection and Member Services Committee	Ben Watts, General Counsel and KCC Data Protection Officer	
Provision for Chief Officers to seek written direction from Executive Members within the KCC Constitution	Ben Watts, General Counsel and KCC Data Protection Officer	
Following the publication of the 2021/22 AGS, a dedicated team was assembled within GLD to improve the awareness and application of governance and decision making across the Council.	Ben Watts, General Counsel and KCC Data Protection Officer	
Completion of the activities required, including the review of the Constitution, to ensure that the Chief Executive Officer (CEO) has a fit for purpose support and governance structure (as agreed by the County Council) to continue the effective discharge of duties.	Amanda Beer, CEO / Ben Watts, General Counsel	
<b>Action Title</b>	<b>Action Owner</b>	<b>Planned Completion Date</b>
Review of KCC Informal Governance arrangements and Operating Standards	David Whittle, Director SPRCA	July 2024
Implementation of the actions identified within the 2022/23 Annual Governance Statement report	Ben Watts, General Counsel and KCC Data Protection Officer	March 2024 (Review)

Risk ID	CRR0049	Risk Title	Fraud and Error
<p><b>Source / Cause of risk</b></p> <p>As with any organisation, there is an inherent risk of fraud and/or error that must be acknowledged and proactively managed.</p> <p>The fraud threat posed during emergency situations is higher than at other times, and all public bodies should be attuned to the risks facing their organisations and the public sector. This is further impacted by inflation and the cost-of-living crisis.</p> <p>It is critical that management implements a sound system of internal control and always demonstrates commitment to it, and that investment in fraud prevention and detection technology and resource is sufficient.</p> <p>This includes ensuring that new emerging fraud/error issues are sufficiently risk assessed.</p>	<p><b>Risk Event</b></p> <p>Failure to prevent or detect significant acts of fraud or error from internal or external sources, in that within any process or activity there are risks that:</p> <ul style="list-style-type: none"> <li>- false representations are made to make a gain or expose another to a loss.</li> <li>- failure to notify a change of circumstances to make a gain or expose another to a loss.</li> <li>- abuses of position, in which they are expected to safeguard to make a gain or expose another to a loss.</li> </ul> <p>Given the size and complexity of KCC, with a significant number of payments going to a wide range of suppliers and other public bodies, whom have a legitimate need to amend their bank details, that this process is used to submit a fraudulent change of bank details (mandate fraud) to KCC in order to divert funds.</p>	<p><b>Consequence</b></p> <p>Financial loss leading to pressures on budgets that may impact the provision of services to service users and residents.</p> <p>Reputational damage, particularly if the public see others gaining services or money that are not entitled to, leading to resentment by the public against others.</p>	<p><b>Risk Owner</b></p> <p>On behalf of CMT:</p> <p>John Betts, Acting Corporate Director Finance (Section 151 Officer)</p> <p><b>Responsible Cabinet Member(s):</b></p> <p>Peter Oakford, Finance, Corporate and Traded Services</p> <p><b>Current Likelihood</b></p> <p>Very likely (5)</p> <p><b>Target Residual Likelihood</b></p> <p>Very likely (5)</p> <p><b>Current Impact</b></p> <p>Moderate (2)</p> <p><b>Target Residual Impact</b></p> <p>Minor (1)</p> <p><b>Timescale to Target</b></p> <p>Within 1 year</p>



Control Title	Control Owner
KCC is part of the Kent Intelligence Network (KIN), a joint project between 12 district councils, Medway Council, Kent Fire & Rescue and Kent County Council which analyses and data matches financial and personal information to allow fraudulent activity in locally administered services to be detected more proactively within Kent.	Nick Scott, Operations Manager, Kent Intelligence Network / James Flannery, Counter-Fraud Manager KCC
Training and awareness raising is conducted periodically and is included in the Counter-Fraud action plan.	James Flannery, Counter-Fraud Manager
An agreed Memorandum of Understanding is in effect with partners (District Councils, Police and Fire Service) outlining the minimum standards expected to be applied by collection authorities (District Councils) to address fraud and error relating to council tax and business rates. Additional work jointly funded to identify and investigate high risk cases based on each authority's share of the tax base. This supports the work of the KIN.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Internal Audit includes proactive fraud work in its annual audit plan, identifying potential areas where frauds could take place and checking for fraudulent activity.	Jonathan Idle, Head of Internal Audit
Whistleblowing Policy in place for the reporting of suspicions of fraud or financial irregularity	James Flannery, Counter-Fraud Manager
Preventing Bribery Policy in place, presenting a clear and precise framework to understand and implement the arrangements required to comply with the Bribery Act 2010.	James Flannery, Counter-Fraud Manager
Anti-fraud and corruption strategy in place and reviewed annually.	James Flannery, Counter-Fraud Manager
The Corporate Management Team is required to engage the Counter Fraud Team regarding all new policies, initiatives and strategies as per the anti-fraud and corruption strategy and have relevant fraud risk assessments and mitigating controls in place on specific fraud risks associated with their areas.	Corporate Management Team
Systems of internal control which aim to prevent fraud and increase the likelihood of detection e.g. financial controls such as authorisation of payments and spend.	Corporate Management Team
Commissioning standards reviewed, including rules relating to "Spending the Council's Money", which have been clarified, to ensure relevant controls are in place to mitigate e.g., declarations of interest for procurement fraud, authorisation levels etc.	Clare Maynard, Head of Commercial / John Betts, Acting Corporate Director

	Finance (Section 151 Officer)
KCC Counter Fraud & Trading Standards are a member of the Kent Fraud Panel to help inform current fraud trends and emerging risks that may impact KCC and its residents.	James Flannery, Counter-Fraud Manager
Participate in the National Fraud Initiative exercise every two years to identify any fraud and error within key risk areas.	James Flannery, Counter-Fraud Manager
Counter Fraud Action plan in place to manage resources in conducting reactive and proactive work across KCC.	James Flannery, Counter-Fraud Manager
Process maps are in place to inform Control Team on the correct process to request a change of bank details.	Mark Sage, Corporate Accountant
Training of staff involved in the updating of bank details is in place to inform them of the agreed process.	Mark Sage, Corporate Accountant
Guidance is available on the Finance Page on KNet to inform those who receive change of bank details on the agreed process, and this is communicated to payment, commissioning and contract management teams across KCC.	Mark Sage, Corporate Accountant
Mandate fraud risks are communicated as part of the fraud awareness sessions.	James Flannery, Counter-Fraud Manager
Any queries received on missing payments from suppliers is cross checked against recent change of bank requests to alert a possible mandate fraud.	Mark Sage, Corporate Accountant
Response Plan is in place within the Control Team to deal with any actual mandate frauds that have been identified.	Mark Sage, Corporate Accountant
Communication of mandate fraud / cyber security to KCC and supply chain.	Clare Maynard, Head of Commercial / James Flannery, Counter-Fraud Manager

Risk ID	CRR0053	Risk Title	Capital Programme Affordability (impacts on assets, performance and statutory duties)			
<p><b>Source / Cause of risk</b></p> <p>The affordability of the capital programme presents a number of risks to specific programmes, including Highways, Schools and the KCC Estate more broadly.</p> <p>The uncertainty includes capital expenditure funded by grants, many of which are crucial to delivery of statutory services, Ongoing investment to maintain and modernise our assets competes with the priority to protect frontline services from effects of public sector funding restraint.</p> <p>There are a number of geo-political uncertainties in the current environment which additionally impact on the financial and operating environment.</p> <p>The construction industry is experiencing acute inflation pressures, long material lead time and sporadic material supply. Directly linked to material and labour shortages. Current inflationary pressures are impacting on the capital</p>	<p><b>Risk Event</b></p> <p>Impact on ability to meet operational requirements and/or statutory duties.</p> <p>Inability to invest in new infrastructure.</p> <p>Increase in maintenance backlogs.</p> <p>Emergency works on essential sites are prioritised to avoid serious health and safety incidents, with knock-on impacts for non-priority sites.</p>	<p><b>Consequence</b></p> <p>Business interruption due to increasing level of reactive / emergency repairs, or parts of estate decommissioned (in whole or partially if deemed unsafe).</p> <p>Health and safety incidents (potentially serious) associated with asset degradation.</p> <p>Inability to meet statutory duties e.g., lack of appropriate school place provision.</p> <p>Non-priority sites may not be maintained to a sufficient standard and may not be safe and fit for purpose leading to building closures.</p> <p>Assets not maintained sufficiently now will require future additional spend to maintain with the possibility of reactive costs which may create a revenue</p>	<p><b>Risk Owner</b></p> <p>On behalf of CMT:</p> <p>John Betts, Acting Corporate Director Finance (Section 151 Officer)</p> <p><b>Responsible Cabinet Member(s):</b></p> <p>Peter Oakford Cabinet Member for Corporate and Traded Services</p>	<p><b>Current Likelihood</b></p> <p>Very Likely (5)</p> <p><b>Target Residual Likelihood</b></p> <p>Likely (4)</p>	<p><b>Current Impact</b></p> <p>Major (5)</p> <p><b>Target Residual Impact</b></p> <p>Serious (4)</p> <p><b>Timescale to Target</b></p> <p>3+ years</p>	

<p>programme significantly.</p> <p>Expectations of key stakeholders on capital spend.</p> <p>Risks associated with changes in legislation related to developer contributions. This could lead to a requirement for significant forward funding.</p> <p>The level of borrowing to fund the capital programme is not sustainable and the impact on the revenue budget is significant.</p>	<p>pressure.</p> <p>Delays result in additional inflationary costs.</p> <p>Funding annual rolling programmes from borrowing is unsustainable.</p> <p>Reputational damage as a result of building closures or impacts on service delivery.</p>
<b>Control Title</b>	<b>Control Owner</b>
Asset safety factors associated with our assets are considered during the budget setting process.	John Betts, Acting Corporate Director Finance (Section 151 Officer)
An annual programme of planned preventative maintenance is undertaken at KCC sites by the relevant Facilities Management contract partners	Tony Carty, Head of Facilities Management
The most urgent works will be completed on the agreed prioritised sites.	Jo Taylor, Head of Project Management, Property division
10-year capital programme published as part of the 23-33 capital programme. This identified projected costs for some of the rolling programmes and a separate section of potential stand-alone projects which are markers and will need to have a full business case and identified funding planned evaluated and agreed.	Cath Head, Head of Finance (Operations)
Infrastructure is working with Area Education Officers to communicate to schools regarding their obligations for maintenance and their responsibilities for repairs under financial thresholds	Jo Taylor, Head of Project Management, Property division
Health and Safety Team in place in advisory capacity to ensure compliance to Government and HSE and	Maria Kelly – Interim Head of Health and Safety

guidelines.	
Review of KCC estate – Future Assets Programme. Business cases for each of the three workstreams are being developed (Office Estate, Community Buildings, Specialist Assets) with associated consultations.	Rebecca Spore, Director of Infrastructure
Lobbying central Government re capital grants relating to Highways.	Haroon Chughtai, Director Highways and Transportation
Extensive lobbying of Government in relation to capital funding.	John Betts, Acting Corporate Director Finance
External funding bid for 'schools rebuilding programme' (DfE) was submitted, and successful for Birchington Primary School.	Jo Taylor, Head of Project Management, Property division

<b>Risk ID</b>	<b>CRR0058</b>	<b>Risk Title</b>	<b>Capacity and capability of the workforce</b>			
<b>Source / Cause of risk</b>	<b>Risk Event</b>	<b>Consequence</b>	<b>Risk Owner</b>	<b>Current Likelihood</b>	<b>Current Impact</b>	
KCC is experiencing increasing demand for services due to whole system pressures which placing pressure on the existing capacity of the workforce.	Workforce capacity challenges, insufficient staff to meet service demands.	Adverse impact on productivity	On behalf of CMT	Likely (4)	Serious (4)	
As a result of the complexity and volatility of issues being faced in the organisation capacity in within the management, and leadership teams is stretched.	Capacity pressures within the management, and leadership teams potentially impacting time for reflection and decision making.	Negative impact on performance and / or delivery of statutory functions or services.	Paul Royel – Director of Human Resources & Organisation Development	<b>Target Residual Likelihood</b>	<b>Target Residual Impact</b>	
Increasing complexity of issues being faced by KCC require capable and experienced officers with potentially different skill sets.	Impact on budgets from use of agency staff/contractors to fill roles to support service delivery.	Lack of experienced staff with specialist skills	<b>Responsible Cabinet Member(s):</b>	Possible (3)	Serious (4)	
The financial position of the Council limits the ability to manage in spikes operational demand by way of recruitment.	There is a risk that services may not have the capacity to deal with the additional demand and associated cost pressures or may have to reduce quality to meet the need.	Reliance on interim and agency staff potentially impacting stability of teams and consistency of service.	Peter Oakford Cabinet Member for Corporate and Traded Services		<b>Timescale to Target</b>	
To support capacity, use of agency staff is increasing.	Complaints from Kent residents	Inability to progress service development. Low staff morale and negative impact on wellbeing, potentially leading to burn out.			1-2 years	
Newly qualified professionals in services require adequate time and support from senior	Lack of depth / resilience of key personnel or	Loss of discretionary effort/goodwill. Impact on delivery of				

<p>officers, which has secondary capacity impacts.</p> <p>Impacts of supporting secondments on teams and services with limited capacity or on difficult to resource roles.</p> <p>As well as national skills shortages in key areas, attracting suitably qualified, skilled and experienced staff, and retaining them to ensure sufficient capacity and capabilities to deliver services continues to be reported as a challenge across directorates. This is influenced by internal and external factors such as the financial position of the Council, local and national elections and the subsequent political uncertainty.</p>	<p>teams.</p>	<p>projects to expected time scales.</p> <p>Employer and Service Reputational damage</p> <p>Negative impact on budgets and savings plans</p>
<b>Control Title</b>		<b>Control Owner</b>
People Strategy for 2022-2027 approved by Personnel Committee		Paul Royel, Director HR and OD
KCC's Organisation Design principles set out and periodically refreshed and monitored to ensure they remain fit for purpose.		Paul Royel, Director HR and OD

Promoting even more regular communications between managers and their teams while working remotely via "Good Conversations" tools etc.	Diane Christie, Head of OD and Engagement	
Workforce profile report for the Personnel Committee gives detailed analysis on staffing levels and provides comparator information on previous years – now being provided more regularly to Personnel Committee for Member oversight and scrutiny.	Paul Royel, Director HR and OD	
Workforce planning and appropriate career development and succession planning mechanisms in place.	Paul Royel, Director HR and OD	
Regular staff survey conducted, followed by facilitation of engagement and action plans with senior management. Includes predictive analytics to explore key drivers of intention to leave to enable appropriate responses to develop.	Diane Christie, Head of OD and Engagement	
Communication, implementation, and measurement of the impact of the People Strategy.	Paul Royel, Director HR and OD	
Implementation of action plans arising from latest staff survey (conducted November 2023).	Diane Christie, Head of OD and Engagement	
<b>Action Title</b>	<b>Action Owner</b>	<b>Planned Completion Date</b>
Review of pay strategy to ensure it remains competitive and sustainable for the future.	Ian Allwright, People Strategy Manager	April 2025
Considering benefits of implementing exit and retention surveys to identify drivers for both leavers and for those who chose to stay	Diane Christie, Head of OD and Engagement	April 2024



Risk ID: CRR0059	<b>Risk Title: Significant failure to bring forecast budget overspend under control within budget level assumed</b> <i>(cross-reference to CRR0009 – Medium Term Financial and Operating Environment)</i>				
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
<p>The Council is under a legal duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities.</p> <p>The latest revenue forecast revenue position for 2023-24 before further management action was an overspend of £32.1m (excluding schools) as at 25<sup>th</sup> January 2024.</p> <p>The most significant overspends (and budgeted spending growth) in both 2022-23 and 2023-24 are in adult social care and children’s services.</p> <p>Urgent action is required to bring revenue spending down to a sustainable level, both within the current financial year and over the medium term (see risk CRR0009) to safeguard the council’s financial resilience and viability.</p>	<p>Further management action being put in place for the remainder of the current financial year fails to significantly reduce forecast overspend.</p> <p>Risk of significant adverse variance to the level of savings and income agreed in KCC’s budget.</p> <p>Spending growth pressures exceed forecasts.</p>	<p>Council reserves pushed below a sustainable position.</p> <p>Impact on service delivery</p> <p>More imminent danger of financial failure – ultimately issuing of s114 notice by Corporate Director Finance (s151 Officer).</p> <p>Negative impact on MTFP three-year plan.</p>	<p>On behalf of CMT:</p> <p>John Betts, Acting Corporate Director Finance (s151 Officer)</p> <p><b>Responsible Cabinet Member</b></p> <p>On behalf of Cabinet:</p> <p>Peter Oakford, Finance, Corporate and Traded Services</p>	<p>V. Likely (5)</p> <p><b>Target Residual Likelihood</b></p> <p>Possible (3)</p>	<p>Major (5)</p> <p><b>Target Residual Impact</b></p> <p>Significant (3)</p>

Control Title	Control Owner
Council's Budget Strategy, confirmed at County Council Budget meeting in February 2023, confirms key principles to abide by.	John Betts, Acting Corporate Director Finance (s151 Officer)
Finance and performance monitoring progress reports will be considered at every Cabinet meeting to ensure the focus on <i>Securing Kent's Future</i> remains until the council's financial position is stabilised.	John Betts, Acting Corporate Director Finance (s151 Officer)
Section 151 Officer meeting weekly with the Leader, Deputy Leader (Cabinet Member for Finance), Chief Executive Officer and Monitoring Officer to provide progress updates.	John Betts, Acting Corporate Director Finance (s151 Officer)
Equality Impact Assessment screening will be completed for any alternative and / or additional savings necessary under the recovery plan.	Relevant Corporate Director(s)
Processes in place for monitoring delivery of savings and challenging targets to bear down on future cost growth, as well as the budget as a whole. Includes central collation of business case information for all savings and income within the approved budget.	John Betts, Acting Corporate Director Finance (s151 Officer) / CMT
Quarterly budget meetings between Cabinet Member and Finance and Corporate Directors	John Betts, Acting Corporate Director Finance (s151 Officer)
Analytics function used to undertake detailed analysis of the main areas of overspend.	Matt Wagner, Interim Chief Analyst
Resource Accountability Statements signed by Corporate Directors.	Ben Watts, General Counsel / CMT
Any adverse variations to agreed savings / income are swiftly identified with compensating actions agreed with management.	Corporate Management Team
Budget Recovery Plan – <i>Securing Kent's Future</i> , developed to address in-year forecast overspend and outline a pathway to future financial sustainability. This includes focusing predominantly on the material spending areas of council activity and those with the greatest forecast variances from the approved budget in adults and children's services.	Corporate Management Team
Analysis and enhancements to financial reporting introduced to better identify the underlying drivers for the main budget variances and the impacts and dependencies of management action and policy choices to reduce the forecast overspend.	John Betts, Acting Corporate Director, Finance

<p>The Council's Financial Regulations (and delegation levels within), "Spending the Council's Money" and Code of Corporate Governance have been reviewed, to ensure they remain fit for purpose in the current environment.</p>	<p>John Betts, Acting Corporate Director Finance / Clare Maynard, Head of Commissioning and Procurement / Ben Watts, General Counsel</p>	
<b>Action Title</b>	<b>Action Owner</b>	<b>Planned Completion Date</b>
<p>To maximise scope of effective scrutiny by all Members, there will be a review of meetings and agendas to ensure appropriate focus on core activity on the budget, key decisions and performance relating to "<i>Securing Kent's Future</i>".</p>	<p>Ben Watts, General Counsel</p>	<p>March 2024</p>
<p>Robust delivery plan information being developed for 2024/25 – milestones, risks, dependencies etc.</p>	<p>Dave Shipton, Head of Finance (Policy, Strategy and Planning) / Corporate Directors</p>	<p>March 2024</p>

<b>Risk ID</b>	<b>CRR0060</b>	<b>Risk Title</b>	<b>Reinforced Autoclaved Aerated Concrete (RAAC)</b>			
<b>Source / Cause of risk</b>	<b>Risk Event</b>	<b>Consequence</b>	<b>Risk Owner</b>	<b>Current Likelihood</b>	<b>Current Impact</b>	
<p>RAAC is a lightweight form of precast concrete, frequently used in public sector buildings in the UK from the mid-1960s to at least the mid-1980s. It is mainly found in roofs, although occasionally in floors and walls. It is less durable than traditional concrete and there have been problems as a result, which could have significant safety consequences.</p> <p>RAAC is now life-expired and liable to collapse – this has already happened in 2018 in a school in Kent with no notice. Following the collapse in 2018 KCC commissioned a validation exercise of schools (excluding academies and voluntary aided schools) and the corporate landlord estate to identify RAAC. The exercise highlighted 12 schools with high potential for RAAC, following inspection and testing, 3 positive results for RAAC were found at 3 schools. KCC took adequate steps at the time to implement</p>	<p>Unidentified RAAC could become unstable and lead to unsafe building/collapse without warning.</p>	<p>More properties are identified as having RAAC meaning threat to delivery of critical services.</p> <p>Capital/revenue costs of potential remediation work/temporary accommodation are not within agreed budgets.</p> <p>Potential disruption to schools/service delivery while investigations are ongoing.</p> <p>Perception that previously inspected buildings are not safe when there is wider communication about the issue.</p> <p>Potential loss of life if an incident occurs at a time when a building is occupied.</p>	<p>On behalf of CMT: Rebecca Spore, Director of Infrastructure</p> <p><b>Responsible Cabinet Member(s):</b> On behalf of Cabinet:  Peter Oakford, Finance, Corporate and Traded Services</p>	<p>Possible (3)</p> <p><b>Target Residual Likelihood</b> Very unlikely (1)</p>	<p>Major (5)</p> <p><b>Target Residual Impact</b> Major (5)</p> <p><b>Timescale to Target</b> Within 1 Year</p>	

a strategy for remediation. In 2021 the Department for Education published a guide for responsible bodies to help identify RAAC.

Kent County Council (KCC), as the Local Authority, is responsible for the maintenance of Community and Voluntary Controlled school buildings in Kent. This responsibility is taken seriously, with continuous maintenance and modernisation programmes in place to ensure that the school estate is fit for purpose. Included within these programmes are routine building checks that identify possible future maintenance issues with accommodation.

Recently another instance of RAAC has been identified at a KCC maintained primary school and as a result, KCC is re-surveying the school estate.

Further information being made available to DfE over the Summer of 2023 regarding performance of

<p>RAAC material has led to the DfE changing the guidance previously issued earlier in 2023 and requiring complete closure of affected areas where it is present until mitigation works have been completed.</p>	
<b>Control Title</b>	<b>Control Owner</b>
Review of the 2018/19 condition survey,	Joanne Taylor Head of Project Management
New condition surveys for schools and corporate landlord estate to identify potential RAAC	Joanne Taylor Head of Project Management
Temporary remedial action is underway at the primary school where RAAC was identified.	Joanne Taylor Head of Project Management
DfE have communicated to all schools regarding RAAC risk	Joanne Taylor Head of Project Management
Joint task group is in place with Education	Joanne Taylor Head of Project Management
Health and Safety Team in place in advisory capacity to ensure compliance to Government and HSE and guidelines.	Maria Kelly – Interim Head of Health and Safety
Existing arrangements in schools via Hard FM contract for identification and reporting of building issues	Joanne Taylor Head of Project Management
Kent Schools (Local Authority responsibility) written to in relation to RAAC and Diocesan schools and Academies written to in relation to their responsibilities	Joanne Taylor Head of Project Management
Ongoing engagement with the Department for Education (DfE) RAAC Team to obtain funding for remediation works. DfE have agreed to fund all capital expenditure in relation to remediation of RAAC in schools.	Joanne Taylor Head of Project Management
Care providers have been written to in regard to their contractual responsibilities for health and safety. Where providers identify RAAC they are to advise contract managers who are liaising with Health and Safety colleagues for advice and guidance.	Maria Kelly – Interim Head of Health and Safety
Communications sent to all landlords where KCC have staff or services in them	Rebecca Spore

<b>Action Title</b>	<b>Action Owner</b>	<b>Planned Completion Date</b>
Remainder of corporate landlord estate to be surveyed	Joanne Taylor Head of Project Management	March 2024