



Appendix 4

Fourth Quarter Risk Update 2021/22

June 2022
Executive
Report Author: Alison Blake

Introduction

Risk management is managing the ***effect of uncertainties on achievement of our objectives*** and is a key principle of corporate governance. The importance of risk management is recognised in our Local Code of Governance, the Annual Governance Statement and through the Risk Management Framework.

Having arrangements in place to identify and manage our risks increases our chances of achieving corporate and operational objectives by controlling risks in balance with resources. Good risk management also increases our ability to cope with developing and uncertain events and helps to instil a culture of continuous improvement and optimisation.

The Risk Management Framework sets out how the Council identifies, manages and monitors risks. This includes the risk appetite statement, which articulates how much risk the Council is comfortable with and able to bear. In summary, the risk management process for the Council can be broken down into the following key components. Appendix 3B gives a one-page summary of the risk management process.



A key part of the risk management process is to report risk information to understand how the risks to the Council are changing. The purpose of the report is to provide Members with the Council's corporate risks and how they have changed since the last report to Policy & Resources Committee in February. The role of this committee is to provide oversight and challenge over the management of high-level risks.

The report also describes the risks 'on the horizon' providing an indication of potential future risks which may materialise into risks the Council can manage as they become clearer.

Operational risks haven't been updated or reported this quarter as all operational risks will be refreshed as part of rolling out JCAD. This is scheduled to take place over June-August, with results reported to the Finance and Corporate Services Policy & Advisory Committee in September.

Corporate Risks

Our corporate risks were reported to Policy & Resources Committee quarterly to ensure effective oversight and monitoring. Going forward the Finance and Corporate Services Policy Advisory Committee will fulfil this role. The risks are reviewed and updated by risk owners and any related risk actions are followed up. Existing and planned controls have been updated and the risk ratings reviewed and updated where necessary.

The table below summarises the **14** risks on the corporate risk register. Further detail on the corporate risks, including a description of the risk and details of existing and planned key controls are outlined below the table.

No	Corporate risk	Feb 2022 Current Risk	June 2022		Corporate Priority			
			Current Risk	Mitigated Risk				
1	Contraction in retail sector	25	25	20	✓			✓
2	Financial Uncertainty	20	25	16	✓	✓	✓	✓
3	Construction Costs / Insolvency	20	20	16	✓		✓	✓
4	Environmental damage	16	16	16		✓	✓	✓
5	Housing pressures increasing	16	16	12	✓		✓	
6	Major unforeseen emergency	15	15	12	✓	✓	✓	✓
7	IT network failure	12	12	9	✓	✓	✓	✓
8	Not fulfilling residential property responsibilities	12	12	9	✓		✓	
9	Major contractor failure	12	12	12	✓	✓	✓	✓
10	Governance changes	12	12	6	✓	✓	✓	✓
	Covid-19: Restrictions to Council operations	12	Removed		✓	✓	✓	
11	Ability to access / leverage new funding	9	9	9	✓	✓	✓	✓
12	Reduced effectiveness of relationships with strategic partners	9	9	9	✓	✓	✓	✓
13	Resilience of the voluntary & community sector	9	9	6		✓	✓	
14	Loss of workforce cohesion and talent	9	12	9	✓	✓	✓	✓
	Covid-19: Community & business recovery	8	Removed		✓	✓	✓	✓

Our Priorities



The impact of the *financial uncertainty* risk has increased from 4 to 5 (the highest possible impact rating) because of worsening market factors. Planned actions have been identified to mitigate this risk, although even after implementation of these actions the risk is likely to remain high.

The *covid-19 restrictions to Council operations* and *covid-19 community and business recovery* risks have been removed from the corporate risk register. While some of the implications from the pandemic are still being managed and there are potential future risks as well, these are specific to certain areas and as such are captured within existing corporate or operational risks. As these implications are now being managed as 'business as usual' there is no need to separately record them as corporate risks.

The Council is exploring adding a corporate risk around the cost-of-living crisis and the impacts this is having on both the community and our staff. Once this risk has been defined and agreed it will be included in the next report to the FCS PAC.

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>General and localised economic pressure leads to contraction in retail sector, limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.</p>	<p>William Cornall</p>	<ul style="list-style-type: none"> Working with Key stakeholders including One Maidstone to safely reopen the High Street. Regular network meetings with town centre retailers Town Centre strategic advisory board Public realm improvement work Supporting One Maidstone Business Improvement District Acquisition of key property (Royal Mail / Grenada House) Work commissioned to promote Maidstone as business destination Planning Guidelines documents have now been approved by SPI for the Five town Centre Opportunity sites Active management of Lockmeadow to enhance the local economy Support delivered to the sector through Business Rates grants and assistance grants Town Centre Opportunity guidance published and actively being used 	<p>(5 x 5) 25</p>	<ul style="list-style-type: none"> Taking advantage of opportunities to support infrastructure investment A targeted programme of place promotion campaign activities Development of a Town Centre strategy to guide the reallocation of land uses within the Town Centre (including retail) A programme of town centre events and activities is now in place funded through covid response monies. The Council has made the decision to put in place a new Article 4 Direction for the core shopping area of Maidstone town centre to retain greater control over planning in that location. Covid related Business Support grants will continue to be focussed upon this sector in part. The Council has now received a circa £1.2m Shared Prosperity Fund allocation for the next three years, and officers are in the process of preparing a draft investment plan for the monies for consideration by Members. 	<p>(4 x 5) 20</p>
<p>General financial uncertainty, unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims.</p>	<p>Mark Green</p>	<ul style="list-style-type: none"> Agreed work programmes in transformation and commissioning Budget monitoring in place MTFS in place and monitored Scenario planning in budget setting Strategies for maintaining income (e.g. pricing policies and proactive management of property portfolio) Holding reserves to mitigate impact of financial restrictions Robust risk assessment of new business opportunities 	<p>(5 x 5) 25</p>	<ul style="list-style-type: none"> Currently updating MTFS to reflect impact of inflation Lobbying to avoid unfavourable financial changes to government funding Cost recovery through bidding for additional government support for one-off costs and strategic investments Identifying measures to address future budget gaps 	<p>(4 x 4) 16</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>Inflation continues to rise and a significant economic event (e.g. further pandemic impacts, BREXIT, supply chain issues) causes significant changes in construction costs which may also result in a contractor insolvency, as they are generally locked into delivering schemes at a fixed price, and so need to manage their exposure to rising costs in their supply chain. For the Council, this leads to a narrowing gap between build price and end of property values, increased costs to the Council and a possible time lag in delivery of 1000 affordable new homes, owing to a lack of capacity in the construction sector.</p>	<p>William Cornall</p>	<ul style="list-style-type: none"> • Use of "off-site" and other Modern Methods of Construction where possible to ensure schemes are delivered efficiently • Designing buildable efficient schemes • Financial stability and overall exposure checks for contractor • Performance bonds and quality monitoring • Realistically set financial scheme approval hurdle rates 	<p>(4 x 5) 20</p>	<ul style="list-style-type: none"> • Exploration of suitable contractor frameworks to access. • Managing exposure levels to different contractors as the programme gathers momentum. • Delaying the letting of key contracts if tendering does not yield VFM proposals that are financially robust. • Careful scheme design evolution to enhance the "buildability" of new projects. 	<p>(4 x 4) 16</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>Increased effects from climate change or reduction in air quality causes environmental damage reducing residents' quality of life and increasing risks from adverse weather events</p>	<p>Angela Woodhouse</p>	<ul style="list-style-type: none"> • Comprehensive Biodiversity and Climate Change Strategy and action plan in place • Air Quality Action Plan in place • Emergency planning arrangements • Parks strategy • Budget available to deliver actions and additional funding allocated • Communication / engagement strategy for adverse weather events • Member of the Kent Climate Change Network • Permanent Biodiversity and Climate Change officer in post 	<p>(4 x 4) 16</p>	<ul style="list-style-type: none"> • Implementation of the B&CC strategy and action plan to engage with public and businesses to adapt to and mitigate impacts of climate change • Review of our own estate in line with ambition to be carbon neutral by 2030, and work with partners to reduce carbon, reduce surface run off and increase natural solutions to mitigate impacts of climate change and pollution • Partner with KCC, other Kent districts and private landowners on widescale tree planting and nature recovery to mitigate impacts of climate change • Relevant Cabinet Member to provide governance for delivery and oversight of BD&CC Strategy • Permanent environmental engagement officer to be recruited to deliver engagement plan and support public and business adaptation to climate change • Establishing with action owners the best way to measure progress through KPIs 	<p>(4 x 4) 16</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>The broader housing crisis leads to housing pressures increasing on the Council, affecting both costs associated with homelessness and ability to meet wider housing needs in the borough.</p>	<p>William Cornall</p>	<ul style="list-style-type: none"> • Homelessness prevention team in place with increased resource • Access to our own housing stock to use for temporary accommodation & market rented housing (within Maidstone Property Holdings) • Closer working with private sector & housing associations • Key policies are in place: Temporary Accommodation Strategy • Implementation of Housing Management Team • CHE approval in place for MBC to develop up to 250 affordable homes of its own • We work closely with the voluntary sector and community partners • Home Finders scheme in place and supported through Government funding • Affordable Housing supplementary guidance adopted in Summer 2020 	<p>(4 x 4) 16</p>	<ul style="list-style-type: none"> • Continued progress towards the temporary accommodation acquisition programme funded through the MBC capital programme • Leader of Council ambition to build 1000 new Council homes as soon as possible and plans to meet this aspiration have been approved and the programme is underway with the second major new land acquisition. • New draft Housing Strategy has been considered by the CHE committee and is now out for public consultation with a view to it being adopted in June 2022 • The Council has acquired the Trinity Place community asset which is currently being refurbished and will provide a range of housing types for those in housing need from May 2022. • The Council continues to work with Homes England to promote the 5,000 home Heathlands garden community through the Local Plan Review, with a view to the project delivering new homes from the late 2020's. 	<p>(3 x 4) 12</p>
<p>Major unforeseen emergency with national / international impact (e.g. new pandemic, environmental disaster)</p>	<p>Alison Broom</p>	<ul style="list-style-type: none"> • Strong existing emergency planning framework • Active engagement with Local Resilience Forum • Flexible, committed and appropriately trained workforce • Quarterly oversight & monitoring through the Emergency Planning Group (EPG) • Some financial reserves • Good partnership working as demonstrated during Covid-19 pandemic • Continued update to Business Continuity Plans and arrangements • Ongoing considerations of financial reserves which have been increased 	<p>(5 x 3) 15</p>	<ul style="list-style-type: none"> • Plan for dealing with different types of major emergencies • Review and update of the Council's IT Disaster Recovery arrangements and Business Continuity Plans • Embedding arrangements over the quarterly review of emergency threats and risks through the EPG including horizon scanning and early warnings • Recovery and renewal funding allocated to strengthen work on community resilience 	<p>(4 x 3) 12</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
Security breach or system weakness leading to IT network failure results in wide-spread system unavailability, increased legal and financial liability and reputational damage.	Georgia Hawkes	<ul style="list-style-type: none"> • Regular backup programmes • External testing of IT security by specialists –resulting findings and actions are implemented and tested • ICT policies & staff training, including disaster recovery plan • Mandatory cyber security training was rolled out and completed • CLT monitoring of performance indicators, including ICT incidents • Nessus scanning software reporting daily on system vulnerabilities • New firewall tested and installed • Ongoing programme of awareness raising through Cyber events, training, and tests • Ongoing programme of IT campaigns including phishing • IT Business Continuity Plan which prioritises the systems that need to be bought back online. 	(4 x 3) 12	<ul style="list-style-type: none"> • IT infrastructure replacement programme being considered to ensure that IT equipment is fit for purpose • Cyber Security Incident BC Exercise to be undertaken in the November 2022 • Business Impact Assessments are being reviewed and updated and will be used to update all BC Plans • Update of the bulk messaging system to ensure adequate communication lines available is underway. Gov.notify will be used and an awareness campaign run to encourage staff to sign up. 	(3 x 3) 9
Insufficient awareness / expertise leads to not fulfilling residential property responsibilities resulting in possible health & safety breaches.	William Cornall	<ul style="list-style-type: none"> • Faithfull Farrell & Timms have been retained as a critical friend to allow the new housing management function to up skill. • West Kent Housing Association (WKHA) engaged to provide an asset management service for the whole MBC residential portfolio. • The whole MBC residential portfolio is now being managed by a single team within Housing & Communities, where previously it was split between Housing & Property. • H&S KPI's are now recorded and reported through a permanent software solution. • The H&S KPI's are reported monthly to Corporate Leadership Team. • Good level of awareness from officers around H&S obligations and compliance • Excellent levels of compliance being reported to the CLT monthly. 	(4 x 3) 12	<ul style="list-style-type: none"> • Due diligence review by Mid Kent Audit to advise on integrity with respect of KPI production and reporting. • Eventual goal of real time reporting in terms of gas safety, via the WKHA contractor. • Review of existing resources and skills underway to support the housing portfolio and management of properties. • Policy & Resources Committee has approved a sizable re-investment in the Council owned Gypsy & Traveller site portfolio • Implementation of new specialist housing management software to support the growing portfolio. • The current provider of asset management services to the MBC and MPH residential portfolios, West Kent Housing Association, has served notice to end the contract in Jan 2023, so officers are starting the procurement process for an alternative supplier/s. 	(3 x 3) 9

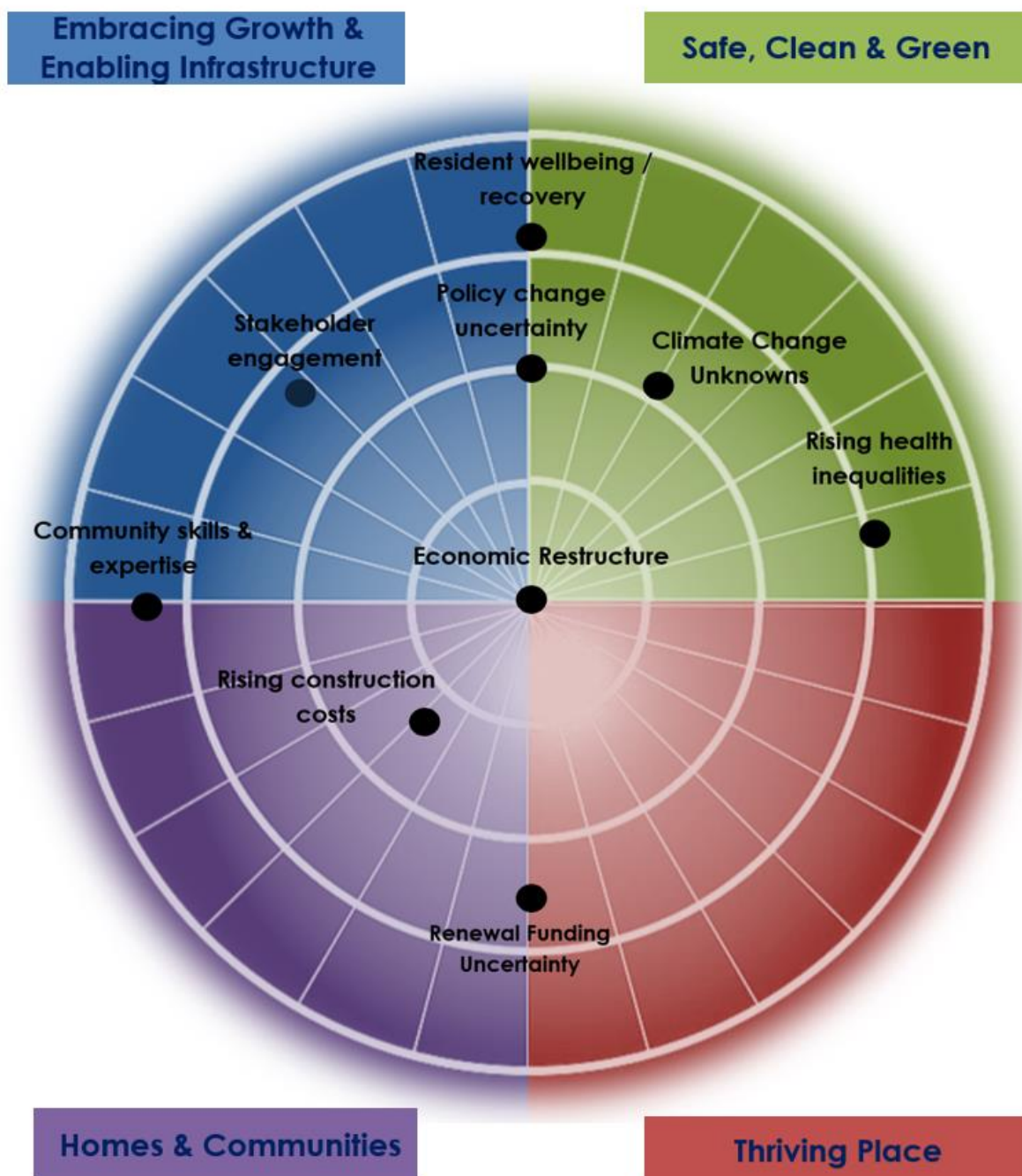
Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>Failure of a major contractor: One of the Councils contractors goes into liquidation / administration</p>	Mark Green	<ul style="list-style-type: none"> Regular contract monitoring and communication with contractors Procurement expertise made available through the Partnership with Tunbridge Wells Financial performance and sustainability embedded into the procurement process Contractor business continuity plans in place and alternative contractors may be available 'Exit plan' included as a requirement in the ITT document for all relevant contracts 	(4 x 3) 12	<ul style="list-style-type: none"> Ongoing financial performance and resilience checks of our suppliers and contractors Risk register work being completed for each of the Council's strategic contracts 	(4 x 3) 12
<p>As a result of significant changes to the Councils' governance (including moving to executive model and the boundary review) sound governance processes may not be maintained during the change or poor processes may be introduced. Leading to delays in decision making, reputational damage or legal implications.</p>	Angela Woodhouse	<ul style="list-style-type: none"> Monitoring Officer in place to oversee Council activities and provide advice Code of Conduct Timeline agreed for the Local Government Boundary Commission review and work overseen by the Director of Finance and Business Improvement Software to facilitate consultation on ward boundaries Templates and system for agendas and decision publication updated New constitution agreed and in place Training carried out with Officers and Members on the new governance arrangements 	(4 x 3) 12	<ul style="list-style-type: none"> Recruit two additional officers into Democratic Services to support the new model Review of the constitution by Democracy and General Purposes Committee, December 2022 Log of issues kept by Democratic Services – contributed to by the Monitoring Officer, Democratic Services and Head of Policy, Communications and Governance 	(3 x 2) 6
<p>Difficulties in recruiting and retaining the right skills and adapting to hybrid working leads to a loss of workforce cohesion and talent. This results in a loss of productivity.</p>	Georgia Hawkes	<ul style="list-style-type: none"> Workforce strategy monitoring & reporting Training & development programme (including hybrid working skills) Occupational health, employee support and HSE Stress Survey Recruitment process that includes ability to adjust pay and market supplement for hard to recruit jobs Rewards package reviewed regularly Commissioning specialist external support as required Online onboarding of new staff Use of ClearReview to encourage continuous conversations and clear objectives Hybrid Policy and service review of hybrid working arrangements Market Supplement Policy reviewed and updated 	(3 x 4) 12	<ul style="list-style-type: none"> Review of paygrades underway Use of SmartPath to offer additional support to managers Appoint specialist consultant to advise on culture change Engagement survey for all staff the output from which will create an action plan for the Council 	(3 x 3) 9

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>Ability to access / leverage new funding Uncertainties relating to the Council's ability to access new funding. Securing and leveraging this funding will help to stabilise and support the delivery of our capital programme.</p>	Mark Green	<ul style="list-style-type: none"> • Access to professional networks to identify opportunities for funding • Experienced officer capacity • Good relationships with funding partners, e.g. Homes England • Obtaining forward borrowing 	(3 x 3) 9	<ul style="list-style-type: none"> • Investment of one-off resources for putting together funding bids 	(3 x 3) 9
<p>Reduced effectiveness of relationships with strategic partners The Pandemic changes the priorities or commitments of our strategic partners or their capacity to work with us. This causes a dislocation with our work and increases Member pressure to highlight concerns.</p>	Alison Broom	<ul style="list-style-type: none"> • KCC partnership arrangements through the strategic board • The Community Safety Partnership with the Police and other key parties • The West Kent Elected Members Forum with local health authorities • Survey of all voluntary and community sector to understand changes in community need and demand for services • Good integration with County-wide networks 	(3 x 3) 9	<ul style="list-style-type: none"> • Strengthen processes for continued horizon scanning with partners to understand changes in priorities and formulate an overview of all key partners • First anchor institutions stakeholder meeting planned for May 2022 • Whole System event to review partnership working effectiveness – July 2022 	(3 x 3) 9
<p>Resilience of the voluntary & community sector The pressures facing the voluntary and community sectors are unprecedented and increasing, threatening the resilience and stability of these support networks. This could result in increased financial pressures for residents of the Borough with knock-on effects for the Council.</p>	Alison Broom	<ul style="list-style-type: none"> • Commitments obtained to establish an architecture to support the voluntary and community sector and provide funding. 	(3 x 3) 9	<ul style="list-style-type: none"> • Establish a community sector forum • Funding to provide support for volunteering • Funding to equip Trinity Foyer to become a Community Hub • Funding for the Love Where You Live & Get Involved project • Agreed Financial Inclusive Strategy • A Community Resilience Fund that groups can bid for funding from • Agreed part funding with the Citizens Advice Bureau for a Debt Management post 	(3 x 2) 6

External Threats (horizon scanning)

Our horizon scanning process identifies external threats over which we have no direct control or ability to manage the impact on delivery of our priorities. Our response to these threats will be an important factor in how we develop our strategies, policies and how we translate that into service delivery. As such, we can draw down any of these threats into our corporate risk register if (or when) the time is right.

For the time being, we will keep our eye on these threats and continue to provide updates as part of the quarterly monitoring report. The diagram summarises the external threats aligned to each of our priorities with those closest to the centre being those likely to happen soonest.



The following points provide some more detail on the threats outlined in the diagram above:

- **Economic Restructure** – uncertainty around employment rates, interest rates and inflation increases, and the affect this will have on the local economy and our own wage bill.
- **Climate change unknowns** – some of the implications of climate change are already captured within the corporate risk register. But this reflects the possibility of other as yet unknown implications from climate change.
- **Policy change uncertainty** – potential for changes in legislation and other central government policy changes.
- **Renewal funding uncertainty** – ability of Maidstone BC to get funding which matches its aspirations and delivery goals.
- **Stakeholder engagement** – heightened sensitivity to Council plans leading to increased intolerance and complaints.
- **Resident Wellbeing and recovery** – potential for residents in the borough to not have long term improvements to their wellbeing
- **Rising health inequalities** – increasing inequality in access to health care provisions.
- **Rising construction costs** – unanticipated consequences from rising costs in the construction industry. This will be reconsidered as part of the next CLT update following the addition of a new corporate risk in this area.
- **Community skills and expertise** – decline in diversity of skills and expertise within communities

Upcoming Work

Risk management is a continuous process, and to be valuable it must be updated and maintained. The following areas will be focussed on over the coming months:

1. *Risk Management Software*: The JCAD software build is complete, and the software will be rolled out across the Council between June and August. Linked to this all operational risk registers will be fully refreshed.
2. *Risk Reporting*: Linked to the implementation of JCAD we will be reviewing how risk information is reported across the authority to ensure that the reports are providing the right information at the right time to officers and Members.
3. *Risk Management Framework*: The framework will be reviewed and updated during 2022-23. An initial outline will be taken Corporate Leadership Team in August with a view to the revised framework being agreed by Audit, Governance and Standards Committee in March 2023.

Appendix 3A Impact and Likelihood Definitions

Risks are assessed for impact and likelihood. So that we achieve a consistent level of understanding when assessing risks, the following definitions were agreed and have been used to inform the assessment of risks on the risk register.

RISK IMPACT

Level	Service	Reputation	H&S	Legal	Financial	Environment
Catastrophic (5)	Ongoing failure to provide an adequate service	Perceived as a failing authority requiring intervention	Responsible for death	Litigation almost certain and difficult to defend Breaches of law punishable by imprisonment	Uncontrollable financial loss or overspend over £500k	Permanent, major environmental or public health damage
Major (4)	Failure to deliver Council priorities Poor Service, 5+ days disruption	Significant adverse national publicity	Fails to prevent death, causes extensive permanent injuries or long term sick	Litigation expected and uncertain if defensible Breaches of law punishable by significant fines	Financial loss or overspend greater than £250k	Long term major public health or environmental incident (1+ yrs)
Moderate (3)	Unsatisfactory performance Service disrupted 3-5 days	Adverse national publicity of significant adverse local publicity	Fails to prevent extensive permanent injuries or long term sick	Litigation expected but defensible Breaches of law punishable by fines	Financial loss or overspend greater than £50k	Medium term major public health or environmental incident (up to 1 yr)
Minor (2)	Marginal reduction in performance Service disrupted 1-2 days	Minor adverse local publicity	Medical treatment required Long term injuries or sickness	Complaint or litigation possible Breaches of regulations or standards	Financial loss or overspend greater than £10k	Short term public health or environmental incident (weeks)
Minimal (1)	No performance reduction Service disruption up to 1 day	Unlikely to cause adverse publicity	First aid level injuries	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend under £10k	Environmental incident with no lasting detrimental effect

RISK LIKELIHOOD

Level	Probability	Description
Almost Certain (5)	90% +	Without action is likely to occur; frequent similar occurrences in local government / Council history
Probable (4)	60% - 90%	Strong possibility; similar occurrences known often in local government / Council history
Possible (3)	40% - 60%	Might occur; similar occurrences experienced in local government / Council history
Unlikely (2)	10% - 40%	Not expected; rare but no unheard of occurrence in local government / Council history
Rare (1)	0% - 10%	Very unlikely to occur; no recent similar instances in local government / Council history

One Page Process Summary

Step 1 – Identify Risks	Step 2 – Evaluate Risks	Step 3 – Risk Response	Step 4 – Monitor & Review																																													
<p>Best done in groups, by those responsible for delivery objectives.</p> <p>RISK is a <i>potential future</i> event that, if it materialises, has an <i>effect</i> on the achievement of our objectives.</p> <p>Consider both threats and opportunities.</p> <p>When to consider:</p> <ul style="list-style-type: none"> • Setting business aims and objectives • Service planning • Target setting • Partnerships & projects • Options appraisal <p>Establish the risk owner.</p> <p>Document in the risk register.</p>	<p>Combination of the impact and likelihood of an event (the CURRENT RISK).</p> <p>Impact score is the highest from the different categories.</p> <p>Establish your key existing controls and whether they are managing the impact and/or likelihood of the risk.</p> <p>Scores can be depicted in the risk matrix:</p> <table border="1" data-bbox="658 869 1124 1220"> <tr> <td rowspan="5">Likelihood</td> <td>5</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Black</td> <td>Black</td> </tr> <tr> <td>4</td> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>3</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>2</td> <td>Blue</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td>1</td> <td>Blue</td> <td>Blue</td> <td>Green</td> <td>Green</td> <td>Yellow</td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td colspan="5">Impact</td> </tr> </table>	Likelihood	5	Yellow	Yellow	Red	Black	Black	4	Green	Yellow	Red	Red	Black	3	Green	Yellow	Yellow	Red	Red	2	Blue	Green	Yellow	Yellow	Yellow	1	Blue	Blue	Green	Green	Yellow			1	2	3	4	5			Impact					<p>Black – Above our tolerance, immediate action and reporting to directors.</p> <p>Red – Outer limit of our appetite, immediate action.</p> <p>Amber – Medium risk, review existing controls.</p> <p>Green – Low risk, limited action, include in plans.</p> <p>Blue – Minimal risk, no action but annual review.</p> <p>Risk Response – 4Ts</p> <ul style="list-style-type: none"> • Treat (i.e. apply controls) • Tolerate (i.e. accept risk) • Transfer (e.g. insurance / partnership) • Terminate (i.e. stop activity) <p>After your response; where does the risk score now? (the MITIGATED RISK)</p>	<p>Completed risk registers returned to Mid Kent Audit.</p> <ul style="list-style-type: none"> • Corporate Leadership Team monthly monitoring of black risks. Quarterly reporting of all high level (black and red) risks. • 6-monthly reporting to Wider Leadership Team. • Risk registers sent quarterly to directors and heads of service. • 6-monthly monitoring at Policy & Resources Committee. • Annual monitoring of process by Audit, Governance & Standards Committee. <p>Mid Kent Audit facilitate the review and update of risk actions (as per your risk register) during the year for and high-level (red / black) risks.</p>
Likelihood	5		Yellow	Yellow	Red	Black	Black																																									
	4		Green	Yellow	Red	Red	Black																																									
	3		Green	Yellow	Yellow	Red	Red																																									
	2		Blue	Green	Yellow	Yellow	Yellow																																									
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