



Committee report

Committee	AUDIT COMMITTEE
Date	20 MAY 2019
Title	THE COUNCIL'S RISK PROFILE
Report of	ASSISTANT CHIEF EXECUTIVE AND CHIEF STRATEGY OFFICER

EXECUTIVE SUMMARY

1. The purpose of this report is to give the committee an opportunity to review the current position with regard to the council's strategic risks. The committee's terms of reference include the provision for consideration of "the effectiveness of the council's risk management arrangements".

BACKGROUND

2. This is the first update of the Strategic Risk Register within the 2019-20 reporting period. Most risks were included within the Isle of Wight Council's revised Corporate Plan that was approved by Full Council in October 2017 with others being amended or added subsequently in consultation with the Corporate Management Team
3. Strategic risks are also referred to within the Quarterly Performance Management Reports (QPMR) that are presented to Cabinet. The Quarter 3 QPMR was reviewed by Cabinet on 14 March 2019.

RISK CHANGES

4. The main alterations to strategic risk scores since the previous Audit Committee on 18 February are outlined below:
 - Lack of financial resource and the ability to deliver the council's in-year budget strategy (from 8 AMBER to 3 GREEN)
 - Lack of financial resource and the ability to deliver the council's medium-term financial strategy (10 AMBER to 13 RED)
 - A change in organisational culture fails to keep pace with the speed of organisational change, negatively impacting on the delivery of the required transformation to deliver the corporate plan (from 9 AMBER to 8 AMBER).
 - Failure to improve educational attainment (9 AMBER to 10 AMBER)

- Additional demands placed upon the IW Council and partners owing to pandemic flu has been increases (from 9 AMBER to 16 RED) on the advice of the Director of Public Health.

Reporting methods

5. Previously the owner of each strategic risk has been asked to provide commentary on the way that the risk is being dealt with. These commentaries, while comprehensive, often changed little over time.
6. To provide more up to date and concise information each risk owner also advises what key mitigations are in place to deal with that risk. Each of these mitigations has an assigned officer and updates will be obtained from them rather than the risk owner. The advantage of this is that information relates directly to mitigating activity.
7. It is intended that by concentrating on the mitigation for each risk rather than an overview of the risk it will be possible to detail the reasons why the risk score does or doesn't change over time.
8. Risk owners have been requested to provide timescales for the mitigating actions associated with each risk where it is possible and appropriate to do so.

Strategic risks

9. Each strategic risk and its mitigation are detailed below:

Lack of financial resource and the ability to deliver the council's in-year budget strategy		Assigned to: Director of Finance and Section 151 Officer			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	5 GREEN	3 GREEN	6 GREEN	8 AMBER	10 AMBER
Mitigation					
Close monitoring of revenue spend	Budget positions are reported quarterly to service management, CMT and Cabinet. At the end of Quarter 3 a saving against budget of £3m was forecast.				
Close monitoring of income realisation against target	Income realisation is monitored monthly and reported to cabinet quarterly. At the end of Quarter 3, it is forecast that we will overachieve by £219,000.				
Close monitoring of achievement of savings plans	Achievement of savings are monitored monthly and reported to cabinet quarterly. At the end of Quarter 3, it is forecast that we will underachieve by £764,000 however alternative savings have been identified which is forecast to result in a total forecast saving against budget of £3m as reported above.				
Close monitoring of capital spend	Budget positions are reported quarterly to service management, CMT and Cabinet. At the end of Quarter 3, the capital programme is forecast to be within the approved in-year capital programme of £88.7m .				

Lack of financial resource and the ability to deliver the council's medium-term financial strategy		Assigned to: Director of finance and section 151 officer			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	9 AMBER	13 RED	10 AMBER	10 AMBER	10 AMBER
Mitigation					
Updated medium term financial strategy (MTFS)		The MTFS is reviewed regularly by Financial Management as part of the budget setting process. A full revision of the budget and future forecast and resulting savings requirements is presented to Full Council each February.			
2019/20 budget setting process		The budget for 2019/20 was agreed by Full Council in February 2019. The budget includes the identification of £5.5m of savings, the delivery of which will be monitored throughout the year. A capital programme of £206.5m was also agreed and will be subject to regular monitoring throughout the year.			
2020/21 budget setting process		Will commence in the 2019/20 financial year.			

Insufficient staffing capacity and skills		Assigned to: Director of Corporate Services			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	8 AMBER	8 AMBER	8 AMBER	8 AMBER	8 AMBER
Mitigation					
Delivery of recruitment and retention strategy and action plan		<p>The scoping of a recruitment and retention strategy and plan is currently underway with a key focus being given to securing:</p> <ul style="list-style-type: none"> • An improvement in the council being recognised as a good employer. • A reduction in the number of interims and agency staff required in critical occupational roles. • More timely recruitment through increased efficiency in recruitment processes. • Right people, in the right place, at the right time. 			
Regular monitoring, analysis and review of organisational health indicators		<ul style="list-style-type: none"> • Organisational Health indicators are reviewed by Cabinet every six months. The last update having been provided to their meeting in March 2019. Overall progress continues to show a positive trend in all aspects of measures monitored. • Attendance and wellbeing performance measures continue to be monitored by service departments and oversight is maintained by the human resource service. Improvements continue to be seen by way of reductions in absence and the number of occurrences of absence although natural seasonal peaks and troughs continue to be apparent. A new occupational health service and employee assistance programme is also now in place. 			

Workforce planning	<ul style="list-style-type: none"> • A mental health first aiders networking group is in place who monitor and share information about key mental health issues and who provide assistance in the promotion of wellbeing. • A revised performance review process, designed in conjunction with managers has now been formally launched for 2019/20 period, supported by training for managers and underpinned by a range of guidance toolkits for both managers and staff. Short pulse surveys will be undertaken throughout the year in order to measure the success or otherwise of the new approach.
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A change in organisational culture fails to keep a pace with the speed of organisational change, negatively impacting on the delivery of the required transformation to deliver the corporate plan		Assigned to: Director of Corporate Services			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	6 GREEN	8 AMBER	8 AMBER	9 AMBER	9 AMBER
Mitigation					
Leadership and management development	<ul style="list-style-type: none"> • The council's leadership and management learning and development programmes are being refreshed for 2019/20 based on successes from 2018/19. Key focuses will be on commercialisation, digitalisation and agile working. In addition, there have been identified communication and engagement forums established for differing groups of managers that will assist with professional development, talent management as well as to encourage creative and innovative thinking in responding to council management challenges. 				
Workforce development programmes/initiatives	<ul style="list-style-type: none"> • Workforce learning and development core programmes are being refreshed for 2019/20 based on successes from 2018/19. Key focuses will be on commercialisation, digitalisation and agile working 				
Delivery of the council's BIG Action Plan	<ul style="list-style-type: none"> • The second staff survey results have been communicated to staff and key messages for improvement disseminated at a manager's conference held in February 2019. • In response to the staff survey a refreshed BIG Action Plan has been devised and is due to be launched in April 2019. • A very successful annual staff awards ceremony took place in February 2019, celebrating the many achievements of staff during 2018 . 				

Failure to improve educational attainment		Assigned to: Director of Children's Services			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	6 GREEN	10 AMBER	11 RED	9 AMBER	9 AMBER
Mitigation					
Delivering Educational Excellence – ensuring that all schools are good or better	<ul style="list-style-type: none"> • Annual reviews of every school with termly challenge visit and bespoke improvement support • Annual discussions with academies. • Supporting governing bodies to improve. • Training opportunities that raise awareness and improve safeguarding practices. • Identifying a 'targeted offer' and 'establishing 'good practice reviews'. • Implementing a high quality and cohesive professional offer. • Investing in recruitment and retention strategies. • Developing an 'affordable schools' strategy. • Prepare schools for new Ofsted framework being implemented in Sept 2019. (Secondary schools not rated as Good or Outstanding have received positive feedback from Ofsted monitoring visits and are on track to being Good.) 				
Delivering Educational Excellence – building on the improvements in standards	<ul style="list-style-type: none"> • Use the Leadership and Learning Partner (LLP) to support and challenge the improvement of standards in Island community schools. • Provide guidance and support on Key Stage 1 and Key Stage 2 standards and statutory assessment arrangements. • Improve teaching of mathematics throughout the key stages. (Department of Education has rated the IWC math primary intervention as GREEN) 				
Delivering Educational Excellence – ensuring schools are good for all children	<ul style="list-style-type: none"> • Use the LLP annual visit to evaluate the performance of vulnerable groups of children and the provision for them. • Further develop schools' leadership of teaching and learning: getting it right for all pupils including the more vulnerable. • Build upon joint training with Her Majesty's Inspectorate and other leading experts on inclusion matters for secondary schools. • Provide ongoing support and challenge in relation to exclusions and attendance. • Work with local stakeholders to develop a better transition between schools and employment. • Develop support to parents of home educated children. 				
Delivering Educational Excellence – leading a cohesive system for children	<ul style="list-style-type: none"> • Work in partnership with the two dioceses who provide many of the Island's schools. 				

based on effective partnership working	<ul style="list-style-type: none"> • Liaise with education partners including teaching schools, trusts and others to focus their potential for impact. • Work with south coast universities to promote excellence, aspiration and opportunities for routes into higher level education. • Support and challenge for all schools that become academies. • Improving community perceptions of education on the Island. • Enhance careers advice and guidance and engagement with industry and commerce.
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Failure to identify and effectively manage situations where vulnerable children are subject to abuse		Assigned to: Director of Children's Services			
Inherent score	Target score	Current score	Previous scores		
16 RED	5 GREEN	8 AMBER	Mar 19	Feb 19	Dec 18
		8 AMBER	8 AMBER	8 AMBER	9 AMBER
Mitigation					
Corporate Board	Parenting	The Ofsted inspection report published on 7 January 2019 highlights that: <i>“Corporate parenting is much stronger across the council since the last inspection. The Corporate Parenting Board receives regular, comprehensive performance data and reports, enabling effective scrutiny and challenge. The Corporate Parenting Board maintains a strong focus on achieving positive outcomes for children in care and care leavers. A high number of young people are supported to attend university and the council actively promotes apprenticeships, particularly for those with care experience. ‘Hearing young people’s experience’ (HYPE), Isle of Wight’s children in care council, is an active and influential part of the Corporate Parenting Board.”</i>			
Multi-agency integrated commissioning board		Children’s social care is going out to sole tender for a Pathways to Independent Adulthood supported accommodation provision. This is one of four recommendations for improvement from the 2018 Ofsted inspection. The risk that has now emerged is that this offer may not align with current provision funded by Housing or provision that will result from the re commissioning of provision by Housing in 2020.			
Quarterly performance reports to Scrutiny Committee		Performance reports are viewed regularly by the Policy and Scrutiny Committee for Children’s Services. The next report will be viewed 23 May 2019			
Regular scrutiny of social work caseloads		The Ofsted inspection report published on 7 January 2019 highlights that: <i>“The vast majority of practitioners say that their caseloads are manageable. Inspectors found that a small number of caseloads were too high. The local authority has secured further financial investment to reduce caseloads further.”</i> Caseloads are scrutinised by senior management on a weekly basis and the transformation programme which started in February 2019 will secure further improvements in caseloads.			
Quality assurance framework case	assurances (monthly audits)	Audits began in April 2018 and are continuing. They include practice observations, auditing of supervision files and quarterly ‘windows into practice’ weeks.			

concentrating on quality of practice)	Monthly meetings now take place to review audits and actions and quality of practice.
Annual self-evaluation and annual conversation between Director and Ofsted	<p>An Ofsted inspection of children's social care services took place in November 2018, with the report published in January 2019. https://files.api.ofsted.gov.uk/v1/file/50048228</p> <p>Judgement highlighted below:</p> <p>The impact of leaders on social work practice with children and families Good</p> <p>The experiences and progress of children who need help and protection Good</p> <p>The experiences and progress of children in care and care leavers Good</p> <p>Overall effectiveness Good</p> <p>Annual self-evaluation for 2018 currently being undertaken. Annual conversation will take place in April 2019.</p>

Failure to recruit acceptable quality of professional practice across Adult Social Care (ASC)		Assigned to: Director of Adult Social Care			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
14 RED	6 GREEN	10 AMBER	10 AMBER	10 AMBER	12 RED
Mitigation					
ASC Programme Board	All ASC projects are reviewed monthly by the ASC Programme Board with any exceptions being escalated to the ASC Transformation Board. Programme board highlight report reflects the corporate standard.				
ASC restructure to support person centred care	A review is under way of the current structure, services and processes within ASC to be completed Autumn 2019.				
ASC recruitment and retention	Current vacancies within ASC now form part of the ASC Service Board Performance Report. A recruitment timetable has been developed by the recruitment co-ordinator to keep track of vacancies, recruitment stages etc.				
ASC Learning and Development (L&D) Plan	Human Resources and L&D are working together to explore workforce development and career pathways. Current pathways already include the apprenticeship degree in social work. Consideration is also being given to building up a strategic partnership with a local university.				
Mobile working pilot	<p>Laptops have been deployed to the Review / Long Term Conditions teams and the feedback from staff has been very positive. Due to the extensive handovers from ICT, no additional training has been required at this time due to staff being able to complete their work in the same way as they do in the office. Learning & Development have re-circulated the online training available for programmes such as OneNote and staff have been sharing their tips and tricks for the new equipment.</p> <p>The roll out of new equipment to the remainder of ASC has been captured in both the County Hall Moves project and the Windows 10 Laptop Deployment</p>				

	project. The remaining staff based at Enterprise House are due to receive their new kit by 5 July 2019. ASC teams not based at Enterprise House (i.e Hospital Social Work Team) will receive their new kit prior to December 2019.
New person-centred, strengths-based assessment forms	The strengths-based approach forms have been revisited, training sessions are planned for end of April 2019 with go-live planned for end of August 2019.

Failure to identify and effectively manage situations where vulnerable adults are subject to abuse		Assigned to: Director of Adult Social Care			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	6 GREEN	9 AMBER	9 AMBER	9 AMBER	9 AMBER
Mitigation					
ASC Programme Board	All ASC projects are reviewed monthly by the ASC Programme Board with any exceptions being escalated to the ASC Transformation Board. Programme board highlight report reflects the corporate standard.				
'Deprivation of Liberty Safeguards' (DoLS) backlog clearance programme	<p>In November 2017, ASC identified some 750 outstanding DoLS referrals awaiting assessment, of which 120 were classified as high priority. Funding was identified to commission an external agency to complete outstanding assessments.</p> <p>Current levels are at 271 with only 8 priority one, assessments for these are being undertaken. Authorisation of outstanding assessments is being maintained; additional trained staff have been identified and are now on the rota to support full time assessors to manage the current and future demand for assessments. Analysis of the renewals of existing assessments is being undertaken to support any capacity issues that might be identified.</p>				
Mental Health Action Plan	An action plan has been produced in response to the independent review of mental health social work practice – the Mental Health Team has been heavily engaged in its development and this is on target. Permanent new group manager in place and business case is being developed to increase the size of the team and to support the AMPH out of hours services; dedicated expertise in S117 is in place and supporting policy is in final draft.				
Safeguarding Action Plan	Completed and signed off. Following the Making Safeguarding Personal (MSP) audit there will a new plan to address any new or emerging issues; Review of the practice guidance is complete; MSP toolkit for ASC practitioners in place.				
Learning Disability (LD) Homes Service improvement plans	There are policies and procedures in all of the learning disability homes for whistleblowing, safeguarding and ongoing training and awareness for staff and there have also been unannounced meetings by senior management. Additional safeguarding training sessions are currently being arranged. Registered managers continue to actively address and review the actions detailed in their service improvement plans.				
Centralisation of outreach teams	The Manager is in the process of registering with CQC (March 2019) to bring the regulated activity under one single manager. An action/improvement plan is in place for the service. CM2000 - There is now a project board in place to govern the delivery CM2000 rostering system which should be live in May 2019. The Response Coordination Team have undertaken their system training and the service is due to train all front-line staff in the use of the system and				

	the hand-held devices. The centralised location has been delayed and will be after the Enterprise House move in July /August 2019. This is a real service priority as having two separate locations to operate is not efficient, effective or responsive. The CQC Registration process is beginning in order to ensure the move can happen in July 2019. The move is likely to be The Barracks in Sandown once approved by CMT.
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Failure to secure the required outcomes from the integration of adult social care and health		Assigned to: Director of Adult Social Care			
Inherent score	Target score	Current score	Previous scores		
16 RED	6 GREEN	12 RED	Mar 19	Feb 19	Dec 18
			12 RED	12 RED	12 RED
Mitigation					
ASC Programme Board	All ASC projects are reviewed monthly by the ASC Programme Board with any exceptions being escalated to the ASC Transformation Board. Programme board highlight report reflects the corporate standard.				
Transformation programme and operational integration	Work on the following programmes/operations will be based on the pathway and financial model produced by consultants Carnall Farrar: <ul style="list-style-type: none"> • LD integration. • Mental health integration. • Rehab/reablement and recovery. • Integrated Locality Services – Community Services. • Continuing health care. • Integrated quality function. • Hospital flow/discharge. 				
Responsiveness to hospital escalations	Senior ASC staff are on call seven days a week in order to direct resources to those people deemed medically fit for discharge and the responsibility of ASC. In addition, the Single Point of Commissioning (SPOC) Team continues to identify all providers willing and able to respond to requests at weekends to assess people deemed as requiring either residential care or domiciliary support. Delayed transfers of care (DTOC) meeting chaired by the Director of Adult Social Services occurs every Friday, which provides the single and agreed DTOC count.				

The council fails to achieve the required outcomes from its significant contractual relationships and fails to successfully resolve some anomalies in the contracts' interpretation (in relation to the 25-year highways PFI contract)		Assigned to: Director of Neighbourhoods			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	5 GREEN	9 AMBER	9 AMBER	9 AMBER	9 AMBER
Mitigation					
Waste management contract monitoring arrangements	<p>The mechanical treatment plant has been run for a 30 day continuous test as part of the commissioning activities to test the ability to extract materials from the recycling and the residual waste streams. This test has shown that the plant needs some adjustment to maximise efficacy and recycle extraction to accord with the councils expectations and Amey's obligations under our contract. A further 30 day test will be run once the plant outputs have been rebalanced.</p> <p>Work on the energy from waste plants is progressing and working toward the revised autumn completion date. The council is aware that the plant supplier has some financial risks, which Amey are working proactively to resolve.</p>				
PFI – Establish available savings	A savings programme has been established and agreed with Island Roads (IR) and reports made to a dedicated savings board. The programme aims to deliver savings in two phases – phase one will target operations and maintenance works commencing April 2019 with further efficiency savings to be identified by IR from April 2020.				
PFI – Agreed quality assessment criteria	Savings will result from changes to the contract specification and to the standard of service being delivered. The level of reduction in service standards will be a balance between the need to achieve the required savings and maintaining an acceptable standard of service delivery. These changes also need to be accepted by the lenders who provide the required up-front capital investment.				
PFI – Delivery of savings	There are a number of existing contractual disputes and performance issues that need to be resolved in parallel to the savings programme. Achieving savings will be conditional upon resolving the disputes and performance issues. The changes also need to be accepted by the lenders.				

Brexit - Uncertainty during transition period, followed by potential legislative, funding and policy changes after the UK leaves the EU may adversely affect the council and its ability to provide services.		Assigned to: Chief Executive			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	6 GREEN	14 RED	14 RED	14 RED	14 RED
Mitigation					
Working group of senior officers in place to define IWC strategy for Brexit	Given the current uncertainty regarding the national position the Brexit group is now meeting monthly to focus on the medium to long term impacts				
Oversight of any potential legislation changes in respect of right to live and work and freedom of movement that may affect our workforce	A key link officer has been appointed to monitor the potential impact on the Isle of Wight workforce.				
Membership of professional and local government bodies aids horizon scanning	Staff are encouraged to use their formal and informal external networking groups to share information on the potential impact of Brexit.				
Management of change approach to mitigate against significant impact to the organisation and its staff (programme governance framework)	Refreshed project and programme governance approach has been agreed by CMT and overall programme summary reports are being presented to a strategic programme board and a member review board. Refreshed guidance will highlight the need for change control within projects.				
Detailed project plans to manage implementation of changes	All projects will be managed in accordance with the project and programme management framework. The Organisational Intelligence Team will provide assurance to CMT that this is happening via summary reports to CMT compiled in partnership with directorate representatives.				
Understanding and acting on intelligence from the Local Government Association (LGA), CIPFA and other local government sources	These channels will continue to be monitored in the period running up to and after Brexit.				
Oversight of general changes in legislation or governance arrangements that may affect the council	Anticipated changes in legislation and governance will be monitored through membership of Lawyers in Local Government, and other legal publications subscribed to.				

Achieving the vision for the Island		Assigned to: Chief executive			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
14 RED	6 GREEN	10 AMBER	10 AMBER	10 AMBER	10 RED
Mitigation					
Quarterly Performance Management Report (QPMR) updates	Performance and finance are reported on a quarterly basis to Cabinet. The performance measures included in the report are based on the 2017-20 Corporate Plan. The corporate plan is currently under review and the associated QPMR will be updated to reflect this going forward.				
Senior management restructure	The recruitment process is complete, and all posts have been filled.				
Programme governance framework	Has been agreed by CMT and overall programme summary reports are presented to the bi-monthly strategic programme board (from December) and the member review board from January.				
Regeneration programme	Key physical regeneration projects within the programme are progressing. Short and medium-term housing programme confirmed. 2019/20 budget pressures have led to re-prioritisation of activity. Regeneration Strategy was due to be presented to Cabinet in May 2019. (delayed to June due to pre-election period)				
Strategic risk register	The register has been reviewed by CMT and was first presented in its new format in December 2018. Revisions in the format of strategic risks were requested by the Audit Committee and these will be incorporated before May 2019.				

Additional demands placed upon the Isle of Wight Council and partners owing to pandemic flu		Assigned to: Director of Public Health			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	16 RED	16 RED	9 AMBER	9 AMBER	N/a
Mitigation					
Internal arrangements	<p>The IWC Pandemic Influenza Plan was written by members of the IWC Public Health Team in consultation with the Emergency Management Department in 2016, based on national guidelines and the Hampshire & IOW Local Health Resilience Partnership (LHRP) Health Protection Incident and Outbreak Plan.</p> <p>The Pandemic flu plan should closely link with IWC departments business continuity plans, these plans were reviewed by the IWC Emergency Management Team.</p>				
External arrangements	This IWC Pandemic Influenza Plan tested during the Hampshire and Isle of Wight table top exercise, held in December 2016, and updated to incorporate the learning from this exercise and published in				

	<p>January 2017. A further table top exercise will be held in December 2019 and the plan will be updated based on the findings of that exercise.</p> <p>Further meetings will be held with key staff from the IOW CCG and NHS Trust to ensure that progress is being made by the Trust to have robust pandemic flu plans in place to support in the development of those plans and check that they are collegiate by September 2019.</p>
Provision of up to date information	<p>Pandemic flu guidance is displayed on the Isle of Wight Council website and covers such things as checklists for businesses and guidance for specific operational settings such as police and fire and rescue services.</p> <p>The risk of pandemic influenza and mitigating actions will be raised at the next Multi agency Island Resilience Forum to be held in May 2019.</p>

STRATEGIC CONTEXT

10. Strategic risks are those that have the potential to prevent the council from achieving its strategic priorities. Senior managers 'own' strategic risks according to their particular responsibilities. Strategic risks are brought to the attention of Cabinet in that they are linked to the corporate priorities of the council in the Quarterly Performance Management Report (QPMR). A Quarter 3 report was presented on 10 March 2019.

CONSULTATION

11. The review of each strategic risk has been undertaken by senior managers according to their particular responsibilities. Members of the Corporate Management Team have reviewed the strategic risk register. Cabinet members are also given the opportunity to review risks as part of the QPMR.

FINANCIAL / BUDGET IMPLICATIONS

12. There are no direct financial implications of this report, although many of the controls employed to manage strategic risk do have significant financial and resource implications.

LEGAL IMPLICATIONS

13. The Accounts and Audit Regulations 2015 require that the council reviews its system of internal control including its risk management arrangements. This report is therefore concerned in part with improving the way the council manages risk and also in giving the committee the opportunity to play its part in overseeing risk management arrangements. These are important features in the council's governance arrangements.

EQUALITY AND DIVERSITY

14. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

OPTIONS

15. Option 1 - Audit Committee approves the strategic risks of the council as set out in paragraph 9.
- Option 2 - Audit Committee does not approve the strategic risks of the council as set out in paragraph 9.

RISK MANAGEMENT

16. While this report is concerned with the subject of strategic risk itself, the key risk is that the council fails to recognise the importance of identifying, assessing and managing strategic risk. The result would mean that risks are more likely to occur or that the council will fail to plan for their impact.

RECOMMENDATION

Option 1 - Audit Committee approves the strategic risks of the council as set out in paragraph 9.

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