



Committee report

Committee	AUDIT AND GOVERNANCE COMMITTEE
Date	25 SEPTEMBER 2023
Title	THE COUNCIL'S RISK PROFILE
Report of	CHIEF EXECUTIVE

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."

RECOMMENDATION

2. That the strategic risks of the council as set out in Appendix 1 of the report be approved.

BACKGROUND

3. This is the quarter two update of the Strategic Risk Register within the 2023/24 financial year reporting period.
4. The application of the Risk Management Framework within the Isle of Wight Council has been subject to an internal audit revisit and has outcome of "Assurance." All policies that underpin the annual governance statement have been refreshed and reviewed, except for the finance policies which will be completed by the end of September.
5. Regular meetings to discuss, update and monitor service risks are being held across all service areas.
6. Strategic risks are referred to within the Quarterly Performance Management Reports (QPMR) that are presented to Cabinet.

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

7. 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). QPMR quarter four report will go to the cabinet meeting to be held on 14 September 2023.

Provision of affordable housing for Island Residents

8. Whilst this report has no direct impact on the provision of housing for Island Residents it will play an important part in reporting on the progress towards the delivery of key activities concerned with that outcome. The relevant mitigations around this theme can be viewed in Appendix 1 – Risk 13

Responding to climate change and enhancing the biosphere

9. Whilst this report has no direct impact on the progress toward the delivery of the Council's Climate and Environment Strategy or direct impact on the decision on the Island's designation as a UNESCO Biosphere, it will play an important part in reporting on the progress towards the delivery of key activities from within the Corporate Plan that are being delivered in line with these matters. The relevant mitigations around this theme can be viewed in Appendix 1 – Risk 13 and Risk 17.

Economic Recovery and Reducing Poverty

10. Progress towards Economic Recovery and the reduction of poverty is a key outcome for the Isle of Wight Council, and this is reflected in the Corporate Plan 2021-25. As such, Strategic Risks 1 and 2 as detailed in Appendix 1 relate to the ability of the Council to meet its statutory financial obligations as a Local Authority.
11. Strategic Risk 16 held in Appendix 1. reflects the work undertaken to understand the impact of cost-of-living pressures on both residents and service delivery.

Impact on Young People and Future Generations

12. The decisions the Council makes now not only affect current residents, but may have long term impacts, both positive and negative, on young people and future generations. These impacts may not immediately be apparent or may not emerge for a number of years or decades. Impacts will be interrelated across the various domains of young people's lives from housing, employment or training, health, and the environment. Appendix 1 - Risks 5 and 6 contain information relating to this priority.
13. The risk and impact of the proposals currently being explored to end the partnership for children's services with Hampshire County Council has been reviewed and will continue to be monitored through the Exit Planning Project Board. The board is chaired by the Director of Children and Families supported by the Director of Corporate Services, and the Strategic Managers for Human Resources and Workforce Development. The board is accountable for delivery of the project and will provide strategic direction and oversight. It is anticipated that a cross party member review board be also established to oversee the period of transition. The partnership has evolved over the years to one where we can now look to the future with renewed resilience, strength and good support for local children and families.

14. The Isle of Wight Council will continue to work closely with Hampshire County Council colleagues over the next few weeks and months to effectively manage the transition, continue the trajectory and strengthen our provision moving forward . The board will be used to unblock issues or escalate for resolution through the Isle of Wight and the Hampshire Council directorate management teams. The timescale for delivery of the uncoupling is challenging and will require strong management and leadership.

Corporate Aims

15. The Strategic Risk Register is comprised of the key risks to the delivery of the IWC Corporate Plan as identified by the Isle of Wight Council's Corporate Management Team.

REPORTING METHODS AND RISK CHANGES

16. Updates are requested from all mitigation owners; these updates are then added to the strategic risk register and included in this report.
17. All risk scoring is decided by Corporate Management Team which reviews the Strategic Risk Register each month as the Chief Executive Officer and the Directors have the statutory responsibility for managing the risks. The risk scoring matrix from which these scores are derived is shown in Appendix 2.
18. 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.
19. Updates made since the previous committee report are shown in italics in Appendix 1.
20. The strategic risk register was most recently circulated to Corporate Management Team (CMT) on 5th September 2023 and all risk owners reviewed the content and verified the current risk ratings.
21. The Corporate Management Team requested two new risks were added to the Strategic Risk Profile to ensure close monitoring by the Chief Executive and Directors. New risk eighteen refers to the ending of the Hampshire and Isle of Wight Strategic Partnership for children and families. New risk nineteen refers to the fact that there is no overall political control at the local authority.

CONSULTATION

22. 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, provided additional input, and verified the current risk ratings. Cabinet members are also given the opportunity to review the strategic risks as part of the QPMR.

FINANCIAL / BUDGET IMPLICATIONS

23. There are no direct financial implications of approving the Strategic Risk Register.

LEGAL IMPLICATIONS

24. 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 key features in the council's governance arrangements.

EQUALITY AND DIVERSITY

25. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

OPTIONS

26. Option 1: That the strategic risks of the council as set out in Appendix 1 of the report be approved.
27. Option 2: That the strategic risks of the council as set out in Appendix 1 of the report are not approved.

RISK MANAGEMENT

28. 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.
29. This risk is mitigated by a monthly review of the Strategic Risk Register by Corporate Management Team who also formally approve the register before it is submission to the IWC Audit and Governance Committee.

EVALUATION

30. Option 1 is recommended in that from the information provided in the report and appendices is based on the views of the IWC Corporate Management Team.

APPENDICES ATTACHED

31. Appendix 1: Full Strategic Risk Register
32. Appendix 2: IWC Risk Scoring Matrix

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