



## Audit, Risk & Assurance Committee

<b>Date</b>	19 January 2018
<b>Report title</b>	Strategic Risk Register
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<b>Report to be/has been considered by</b>	None

**Recommendation(s) for action or decision:**

**The Audit, Risk and Assurance Committee is recommended to:**

1. Consider and comment on the contents of the Strategic Risk Register (Appendix 1).

## 1.0 Purpose

1.1 This report is provided to support the Audit, Risk and Assurance Committee with their responsibility of providing oversight of Risk Management within the West Midlands Combined Authority (WMCA).

## 2.0 Background

2.1 Robust Risk identification and management arrangements are in place with regular monitoring being undertaken between Senior Managers, Programme Management and Commission representatives, following the principles of the Corporate Risk Management Strategy.

2.2 Following discussion at Audit, Risk and Assurance committee in September 2017, and the establishment of the WMCA Leadership team, the risk register has been scrutinised and subsequently consolidated to provide clarity and a greater focus on the strategic risks of the organisation. The WMCA Leadership Team formally confirmed the status of the risks shared in this report and the risk register as the strategic risks affecting the West Midlands Combined Authority. The Leadership will continue to own the strategic risk register and monitor the risks at regular intervals in the year.

2.3 Risks previously contained and reported to this committee but that are no longer contained within this register, have been retained within existing Management team risk registers and will be managed at the appropriate level.

## 3.0 Strategic Risk Register

3.1 11 risks have now been confirmed and recorded as strategic risks on the risk register. Full details of the risks including the associated remedial actions are detailed in the risk register as Appendix 1.

3.2 Risks captured within the register are recorded under the following headings, with the measurement of risk indicated prior to risk mitigation being considered, (inherent risk score) and the measurement of risk once mitigations have been applied, (residual risk score) being provided in the table below.

Risk	Inherent risk score	Residual risk score
Stakeholder & Political relations	12	8
Financial Assumptions of the Devolution deals	16	12
Delivery	12	8
Resources	12	9
Leadership team	8	4
Commerciality	8	8
Reputation	6	4
Governance	12	8
Information Security	12	9
Health & Safety	4	3
External factors	6	3

3.3 Of the risks detailed above, the 'Financial assumptions of the Devolution deals', 'Resources' and Information Security remain as key risks to the organisation.

### 3.4 Financial assumptions of the Devolution deals

3.4.1 Significant work has, and continues to be undertaken to realign the financial assumptions of the Investment programme from those previously determined at inception of the WMCA. It was determined at this time that 6% of the overall funding had been secured and further work was required to ensure the entire Investment Programme could be delivered as envisaged by the costs budgeted at that time.

3.4.2 A financial review in December 2017 has confirmed that 30% of funding is now secured and a programme is in place to ensure all other funding sources including public sector and local contributions, business rates, Hs2 funding, Gain Share and the mayoral precept will be achieved.

3.4.3 In addition, a review of the Investment Programme governance and appraisal processes has been commissioned to ensure effective arrangements are in place to support delivery of the Programme.

### 3.5 Resources

3.5.1 The management of resources is a key focus of the Leadership team and organisational structures are under regular review to ensure they remain fit for the business needs. Further details are to be provided to this committee through a separate report by the Interim Head of Organisation Development.

### 3.6 Information Security

3.6.1 Attention to Information Security risks continues to progress with delivery of the recommendations from an Internal Audit and preparedness of compliance with the General Data Protection Guidelines (GDPR). Further details of progress on these is to be provided separately to this committee through a report from the Head of ICT.

## **4.0 Wider WMCA Implications**

4.1 The effective identification and management of strategic risks is essential in ensuring wider WMCA implications are successfully removed, managed or adopted as appropriate.

## **5.0 Financial implications**

5.1 There are no direct financial implications arising from this report.

## **6.0 Legal implications**

6.1 There are no direct legal implications arising from this report.

## **7.0 Equalities implications**

7.1 Equality considerations are taken into account in the assessment of individual risks. There are currently no direct implications arising from the risks contained in the corporate risk register or the contents of this report.

## **8.0 Appendices**

Appendix 1 – Strategic Risk Register