

WMCA strategic Risks - December 2017

Risk Description	Inherent Risk Score			Controls and measures already in place	Further actions required to mitigate risk	Residual Risk Score		
	Likelihood	Impact	Inherent Score			Likelihood	Impact	Residual Risk
<p><b>Stakeholder &amp; Political Relations</b></p> <p>The devolution of new powers and budgets from government to the Authority under a reformed governance model will increase pressures on financial, operational, governance and scrutiny functions. There may be challenges in maintaining the relationships across the Region which helped to deliver The WMCA.</p>	3	4	12	<p>Ongoing close working with LEP's, Constituent and non-constituent members with regular communications in place to ensure all parties are fully engaged. Collaborative working to be maintained and extended where opportunities allow.</p> <p>The expectations of all members is to be clearly understood and shared with ongoing engagement with all partners and businesses at all stages of the Portfolio delivery.</p>	<p>Regular communication exists and is maintained at various levels.</p> <p>Wide representation at Governance Boards are to be maintained.</p> <p>New opportunities being identified by Leadership Team to maintain and improve relations with stakeholders, including major commercial partners.</p>	2	4	8
<p><b>Financial Assumptions of the Devolution Deals</b></p> <p>Assumptions of the Devolution deal have been made against expected economic growth, local precepts, business rate retention and interest rate levels. Not all have proved to be achievable to date.</p> <p>If these assumptions are not regularly monitored and reviewed to ensure assumptions and budgets remain valid, then should these prove to be incorrect, insufficient funds will be available to meet the Investment Programme funding requirements or the model will not meet financial expectations and a number of delivery schemes will be unachievable, or members of the Combined Authority will be liable for outstanding financial commitments.</p>	4	4	16	<p>Medium term financial strategy and Treasury management strategy in place, monitored and approved at Board level.</p> <p>Close working with Government to understand the ongoing financial position and its effects on the region including the:</p> <ul style="list-style-type: none"> <li>Ownership and accountability of funding sources</li> <li>Borrowing powers of the WMCA and/or mayor for regeneration</li> <li>Ownership of Local Growth funds</li> </ul> <p>Risks and implications of any existing Enterprise Zone business rate income commitments</p>	<p>Continuation of working with Government and constituent authorities regarding the assumptions relating to business rates. Mayoral rights to levy supplementary business rates has been incorporated into 2017 Devolution deal together with some capacity funding.</p> <p>Funding for Growth programme set up to look at alternative funding streams. Agreement required between all constituent and non-constituent members on a response strategy in the event of financial expectations not being achieved.</p> <p>Preparation for 2018/19 budget includes the alignment of the powers, budgets and the processes to ensure there is an accurate budget.</p> <p>Due to the funding gap in the programme, a ranking and sequencing exercise is to be undertaken by Q2 of 2018.</p>	3	4	12
<p><b>Delivery</b></p> <p>There is a risk the WMCA will come into disrepute if the organisation is unable to effectively deliver its obligations and aspirations as detailed in the Devolution programmes, the Strategic Economic and Mayoral Renewal plans or the Transport Act 2000.</p>	2	4	8	<p>WMCA Board undertakes overall responsibility for delivery of the Strategic Economic Plan, future devolution deal development, investment decisions and for allocating resources.</p> <p>Clear governance structures have been developed and approved by WMCA Board to provide direction and roles and responsibilities for individuals, boards and committees. These will remain under regular review to ensure they remain fit for purpose as the WMCA evolves.</p> <p>The Devolution Agreement Strategic Implementation Plan (DASIP) has been agreed by DCLG and provides regular KPI reporting to Government.</p> <p>Robust assurance arrangements in place to ensure delivery meets all governance requirements including the DCLG Assurance Framework.</p>	<p>WMCA Board and Leadership team providing oversight of any shortfalls in Investment Programme funding and opportunities for investment from stakeholders.</p> <p>The availability of sufficient capacity and appropriate skills in the marketplace to deliver the forward agenda is key to delivery and is on the Leadership agenda.</p> <p>A review of investment programme governance and appraisal processes has been commissioned to ensure effective arrangements are in place to support the delivery of the Investment Programme</p>	2	4	8
<p><b>Resources</b></p> <p>If capacity and skills amongst WMCA senior managers and Officers are insufficient or conflicts with other priorities, this may impact on the ability to deliver the WMCA Strategic Economic plan or the Mayor's Renewal plan and impinge on the organisation's ability of securing future funding opportunities.</p>	3	4	12	<p>Retention of high quality resources is a focus of WMCA Board and resource structures are regularly monitored at departmental, Leadership and board level.</p> <p>Governance structure and monitoring provides for early warning of possible pressures and required interventions to be sourced.</p> <p>Regular communications in place with all staff to maintain engagement across all levels of the organisation.</p> <p>Regular monitoring of the Annual Business Plan provides early warning of non-achievement in expected deliverables.</p>	<p>Leadership team is reviewing the organisational structure to ensure its capability continues to meet the future aspirations of the organisation.</p>	3	3	9
<p><b>Leadership Team</b></p> <p>There is a risk the capacity of the Leadership team is not sufficient to enable business decisions to be made in a timely manner, for instance due to difficulties in recruitment or excessive workloads.</p>	2	4	8	<p>Leadership team has been established with key individuals who have an expertise in their specific field and have established relations with key stakeholders to support the continued delivery of WMCA agenda.</p> <p>Continued oversight of all functions is maintained by the CEO with weekly review meetings to enable early intervention.</p>	<p>Close working arrangements in place with member authorities in order for all parties to provide mutual support as required.</p>	1	4	4

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<p><b>Commerciality</b></p> <p>The WMCA has chosen to use commercial company delivery models in some areas. Challenging economic conditions and/or material loss of revenue from investments may result in commercial income streams not being able to deliver commercial revenue targets and/or the services which are contracted to be provided.</p>	2	4	8	<p>Formal governance structures are in place between WMCA and commercial bodies.</p> <p>CA directors appointed to companies providing regular interface between parties.</p> <p>Compliance of all financial accounting arrangements.</p> <p>Assurance &amp; Governance checklist in place to review and confirm satisfactory arrangements are in place for all 'Arms Length companies'</p>	<p>Close working arrangements to be maintained with WMCA commercial partners.</p>	2	4	8
<p><b>Reputation</b></p> <p>There is a risk that the reputation of the WMCA will be compromised if the organisation does not present itself as, or deliver an effective and efficient organisation resulting in negative media coverage and an inability to deliver expectations.</p> <p>Where the WMCA has significant monetary investment and/or where the Mayor is heavily involved in projects/proposals run by partners, for example the Commonwealth Games, the operation of Arms Length Companies or high profile sporting or cultural events in the region; the WMCA needs to manage the additional indirect reputational risks that are posed by association with these projects/proposals.</p>	2	3	6	<p>Communications engaged in all business activity, providing regular liaison with the Mayor's office to ensure a pro-active and consistent message is delivered by all, at all times.</p> <p>WMCA spokespersons provided with media training.</p> <p>Regional Communications Group established ensuring access to media facilities for all WMCA members and stakeholders have access to media facilities.</p> <p>Progress of financial contributions monitored to enable coverage of all WMCA successes or early intervention of possible challenges.</p> <p>Close engagement with wider organisations.</p>	<p>Ensure regular review of Communication issues including forward planning Communications Grid.</p> <p>Ensure that major Regional initiatives e.g. Commonwealth Games have clear and transparent governance arrangements in place.</p>	2	2	4
<p><b>Governance</b></p> <p>A lack of, or non- adherence, to formal governance arrangements will result in a risk of ineffective or unsuccessful delivery of WMCA objectives and possible legal challenge impacting on the WMCA's ability to meet its obligations and future aspirations.</p>	3	4	12	<p>Comprehensive governance arrangements are in place and contained in the WMCA constitution, approved by the Board.</p> <p>The Head of Governance and Monitoring officer has direct access to the Leadership Team and WMCA Board, and responsibility for oversight of all assurance activities, including Audit.</p> <p>WMCA assurance framework developed in conjunction with, and approved by DCLG.</p> <p>Governance activities are managed centrally to ensure robust arrangements are in place and conform to all legal requirements.</p>	<p>Ongoing programme of Internal audits undertaken to provide an independent review that governance arrangements and internal policies are adhered to and remain effective.</p> <p>Risk based 2018/19 Internal Audit plan developed and awaiting approval by Leadership Team and Audit, Risk &amp; Assurance Committee.</p>	2	4	8
<p><b>Information Security</b></p> <p>An inability to follow data protection requirements or to maintain secure ICT systems will cause the loss or misuse of personal data and ICT systems including opportunities for cyber crime and will result in legal challenges and an inability to maintain operations.</p>	3	4	12	<p>A Retention and Disposal policy is in place which follows the 8 principles of the Data Protection Act.</p> <p>Comprehensive suite of ICT security systems and monitoring in place to maintain secure ICT systems and protect against potential cybercrime structured in line with the 10 Steps to Cyber Security' as set by the National Cyber Security Centre.</p> <p>Role of Senior Information Risk Owner (SIRO) undertaken by the Finance Director, providing board-level accountability for Information Security.</p> <p>Gap analysis of WMCA compliance with the forthcoming General Data Protection Regulations has been undertaken to establish WMCA's preparedness for compliance by May 2018.</p>	<p>Delivery of the Action Plan resulting from the gap analysis to be completed including the mandatory appointment of a Data Protection Officer.</p>	3	3	9

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<p><b>Health &amp; Safety</b></p> <p>Health &amp; Safety procedures need to be maintained to ensure safe working conditions for staff, visitors and users of all WMCA facilities. Failure to provide a safe environment for all users will result in potential legal challenges due to unsafe, or unreliable infrastructure particularly on the transport network.</p>	1	4	4	<p>Health &amp; safety duties are delivered to ISO18001 standard with ongoing compliance externally assessed 6 monthly.</p> <p>Quarterly inspections of all assets undertaken to ensure H&amp;S compliance is maintained including review of accident reports.</p> <p>Monthly H&amp;S position statement provided to satisfy Boards of the Organisation's Corporate responsibilities.</p> <p>Health &amp; safety obligations are considered in the development of all projects and programmes.</p>	<p>Ongoing engagement with all WMCA departments to ensure adherence of H&amp;S policies by all.</p> <p>Immediate engagement with emergency services and /or HSE to provide proactive management of H&amp;S incidents.</p>	1	3	3
<p><b>External Factors</b></p> <p>If external challenges or changes in policy from global, EU or government / political or financial change are not factored into WMCA plans, the delivery ambitions may become unachievable.</p>	2	3	6	<p>All parties remaining cognisant of external factors including the short, medium and long term effects of the exit from Europe.</p> <p>Maintaining awareness of existing and new legal and environmental regulations to ensure compliance at all times.</p> <p>Innovative programme delivery mechanisms to be sourced, working towards joint venture modelling (similar to the Metro Alliance) working collectively with the private sector on sharing of risk and costs with partners.</p> <p>Close liaison with HS2 Board to deliver synergies across programmes and providing a collective investment vehicle for growth to local residents and businesses.</p>	<p>Working continually with the Department for Business, Energy and Industry Strategy (BEIS) to ensure the government agenda is met</p> <p>Brexit implications continue to be monitored and the organisation remains cognisant of it's developments and the emerging risks.</p>	1	3	3