



**WEST MIDLANDS**  
COMBINED AUTHORITY

## **Audit, Risk & Assurance Committee**

<b>Date</b>	21 June 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 A quarterly review of the WMCA Strategic Risk Register was undertaken by Leadership Team in May 2018. The review confirmed the register continues to reflect the current risk position and includes any potential impact likely to be generated from the potential stakeholder, capability and capacity risks arising from the transition of the West Midlands Fire Service to WMCA in 2019, the absorption of the West Midlands Police and Crime Commissioner role by the Mayor in 2020 and the transfer of the Adult Education Budget to WMCA from 2019.

2.3 The review by Leadership Team concluded there would be benefit in undertaking a more detailed review of its strategic risks, giving further consideration to the operational impact that risks would bring and to establish any additional risks requiring inclusion on the register. The Head of Governance is now supporting Leadership Team in the development and delivery of a risk workshop.

## 3.0 Strategic Risk Register

3.1 11 risks continue to be recorded as strategic risks on the risk register. Full details of the risks including the associated remedial actions and any movement in the risk status is detailed within 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 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 Detailed workforce planning, monitoring and management continues to be undertaken by the HR team as organisational plans and recruitment requirements evolve. HR Business Partners are focussing on the identification and management of resource pressures that need early consideration, particularly where capacity and capability issues are known.
- 3.5.2 A flexible approach is currently being adopted with a mixed model of resourcing being progressed to meet demand, alongside the development of detailed plans in preparation of the wider capability and capacity requirements resulting from the increasing environment referenced in 2.2 above.
- 3.6 Information Security
- 3.6.1 A key focus for Information Security and Data Protection has been the continuing preparedness in advance of the introduction of the General Data Protection Regulation (GDPR) on 25<sup>th</sup> May 2018.
- 3.6.2 To support GDPR readiness, a training programme has been rolled out to all staff to support their understanding and responsibilities associated with both GDPR and Information Security. A very high completion rate of 90%+ has been achieved to date. The statutory role of Data Protection Officer has been established, and all interactions with external parties have been reviewed and updated to meet WMCA obligations as a Data Controller.

#### **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