

## Audit, Risk & Assurance Committee

<b>Date</b>	21 June 2019
<b>Report title</b>	WMCA Strategic Risk Register
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<b>Report has been considered by</b>	Senior Leadership Team

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

**Audit, Risk & Assurance Committee is recommended to:**

- (1) Consider and note the strategic risks contained within the WMCA Strategic risk register.

## **1. Purpose**

This report provides a summary on the current status of key risks being considered by Senior Leadership Team as captured within the strategic risk register, and presented as Appendix 1 to support Audit, Risk and Assurance committee (ARAC) in its function to monitor the operation of risk management at West Midlands Combined Authority.

## **2. Background**

Senior Leadership Team (SLT) completed a full review of the register at its meeting of 22nd May 2019 to ensure the register continues to reflect the key risks affecting WMCA at the present time including the validation of risk descriptions against the current business activity and risk scores assigned to each risk.

In line with the cyclic quarterly reviews being undertaken, SLT will complete its next review of the strategic risk register in August 2019 and at this time will consider risks associated with delivery of the 2019/20 Annual Business Plan, subject to its approval at WMCA Board on 24th June 2019.

16 strategic risks are currently recorded within the register with 5 risks set as high (red) rated risks, 10 as medium (amber) risks and 1 rated as a low (green) risk. Changes to the register includes two risk closures and a reduction in risk S07c, relating to delivery of the Adult Education Budget which has been updated and is now considered a low risk to the organisation.

## **3. Key Risks**

### **3.1 Risk ID: S01 – Financial Assumptions for Existing Programmes**

This risk continues to present the greatest risk to WMCA due to a current funding shortfall in the Investment Programme. A review exercise has been undertaken and further action requested by Leaders to look at commercialisation and other income generating options along with onward discussions with government, the outcome of which will be presented to the Investment Board in due course.

### **3.2 Risk ID: S04 – Stakeholder and Political relations**

No change has been recorded on the rating of this risk from previous updates, however the profile of external relations and in particular, political relations are resulting in this risk being set as a high level risk at the present time.

Stakeholder relations remain positive, however the current nature of the political environment is causing greater uncertainty and SLT is therefore considering the benefits of separating this into two risks to better reflect the differences between stakeholder and political partners.

Close working relations remain with all parties and has more recently been supported by detailed stakeholder mapping and engagement activities being undertaken. An induction process is to be provided to newly elected political members to support engagement and a Public Affairs and Stakeholder relationship management post is being established to provide ongoing relations management.

### **3.3 Risk ID: S03 – Data Protection and Information Security**

Whilst there has been no increase in the level of risk against previous reports to this committee, Information Security remains as a continuing threat to the organisation and is set as a high risk on the strategic risk register.

An Information Assurance Framework is in place and is supported by a suite of information security and data protection policies, setting out the organisational commitment and its response to identified threats, including the adoption of external guidance and best practice as approved by the Senior Information Risk Owner (SIRO).

### **4. Risk closure**

During the review of the strategic risk register by SLT, it was proposed a number of risks should be closed including:

#### **Risk S07 - Delivery**

This risk provided a general overview of the subject specific delivery risks introduced to the register more recently and was no longer required. This risk has therefore been removed from the register and risks associated to the delivery of specific programmes will continue to be managed within the subject matter risks referenced as S07c, d, e, and f.

#### **Risk S07a – West Midlands Fire Service**

The transfer of governance services for West Midlands Fire Service was subject to the consent to proceed from each of the seven Metropolitan Local authorities by 30th May 2019. In the absence of this being received by Whitehall, these plans have been put on hold until further notice and the associated risk has been removed from the strategic risk register.

### **5. Summary**

SLT will complete a further review of the Strategic Risk Register in August 2019. This will be a more opportune time to take into consideration the Annual Plan, conclusion of the Corporate Services Review and External Factors such as Brexit and the political environment. The WMCA Senior Leadership Team can provide assurance to ARAC that all the strategic risks continue to be owned and monitored by SLT and they are satisfied that sufficient mitigations are in place. Further work is being undertaken and led by the Director of Strategy to enhance risk management processes across the combined authority and embed with the performance management framework. This will provide greater risk assurance to both SLT and ARAC.

### **6. Financial Implications**

N/A

### **7. Legal Implications**

N/A

**8. Equalities Implications**

N/A

**9. Inclusive Growth Implications**

N/A

**10. Geographical Area of Report's Implications**

N/A

**11. Other Implications**

N/A

**12. Schedule of Background Papers**

Appendix 1 - Strategic Risk register