

Audit, Risk & Assurance Committee

Date	18 January 2021
Report title	WMCA Strategic Risk Register
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Report has been considered by	

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.
- (2) Note the additional consideration of Covid19 risks shown in the updated Register.
- (3) Note the risks highlighted in 2.5 which have been subject to significant changes since the register was last presented to the committee in October 2020.

1. Purpose

- 1.1 This report provides an update on the current status of the strategic risk register as 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

- 2.1 Senior Leadership Team (SLT) monitors WMCA's risk environment on a regular basis to ensure key risks are captured on the Strategic Risk register and effective mitigation measures are in place to actively reduce or eliminate the resulting effects.
- 2.2 Risk management has been a key driver in the identification and management of the challenges resulting from the current public health emergency and this has been managed at a local level with a Covid 19 risk register being established at an operational level. The risks housed in this register continue to be reviewed and updated regularly as the risk landscape evolves.
- 2.3 The pandemic has required a further review of risks already identified and contained within the strategic risk register earlier in the year and these have been reflected as additional entries to the register under the heading of 'Covid 19 effects to risk and response', and are recorded alongside the associated risk where relevant. A significant number of the risks detailed within the register continue to be subject considerable levels of uncertainty due to the evolving risk landscape caused by the pandemic. Unfortunately, at this stage of the Pandemic it is only possible to identify some risks from an interim point of view as further work is ongoing to understand some of the longer-term impacts on the organisation and the region. It is anticipated that improved levels of clarity in the coming months will lead to significant updates within the version of the WMCA's Strategic Risk Register presented at the next ARAC meeting. The risks contained within are subject to close ongoing monitoring.
- 2.4 The register continues to record 11 risks with a materiality level of high. This includes Financial Assumptions of the Investment Programme (ref. S01) and External Factors (ref. S11) which are recorded with the highest scoring of 25.
- 2.5 The Committee's attention is drawn to the following:
- Risk ID S06 – The overall residual risk score/materiality has increased to 15 from a previous score of 8, with both likelihood and impact having increased. This risk continues to be closely monitored.
 - Risk ID S07f – The overall residual Risk score has reduced in the basis of decreased likelihood following introduction of enhanced mitigants (revised risk score of 8 from previous score of 12).
 - Risk ID S15 - Has been merged with the risk formerly documented in S18 as the detail previously held in S18 is the Covid response element of the impact documented in S15.
 - Risk ID S11 – At the time of writing, this risk remains subject to a significant level of uncertainty despite a Trade deal having been negotiated and as such the risk will continue to be closely monitored.

2.6 Detailed analysis of the financial forecast is ongoing, and Members will be aware of media coverage of the financial pressures that are facing public authorities at this time. SLT are working closely with Central Government as part of the financial and economic support for the region including its response to policy developments that will be required to be stalled for the immediate future.

3. Financial Implications

N/A

4. Legal Implications

N/A

5. Equalities Implications

N/A

6. Inclusive Growth Implications

N/A

7. Geographical Area of Report's Implications

N/A

8. Other Implications

N/A

9. Schedule of Background Papers

Appendix 1 - Strategic Risk register