

Audit, Risk & Assurance Committee

Date	24 January 2023
Report title	WMCA Strategic Risk Update
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Report has been considered by	Linda Horne (Finance Director & Section 151 officer)

Recommendation(s) for action or decision: **For Information Only**

Audit, Risk & Assurance Committee is recommended to:

- a. Note the key messages in the Strategic Risk Update
- b. Consider and note revisions, or planned revisions, to the Strategic Risk Register.

1. Purpose

- 1.1. Taken together, the Strategic Risk Update at appendix 1, the Strategic Risk Register (SRR) at appendix 2, and the Issues Log at appendix 3, provide the ARAC with visibility of the strategic risks currently faced by the WMCA and support its function in monitoring the operation of risk management at the WMCA.

2. Background

- 2.1 The SRR supports the identification and management of the risks faced by the organisation in achieving its organisational or strategic objectives. The SRR captures only those high-level risks which are of such significance as to require oversight by the Strategic Leadership Team (SLT). The SLT monitors WMCA's risk environment on a regular basis to ensure key risks are captured on the SRR and measures are in place to effectively manage or mitigate their effects.

2.2 Issues

- The programme of action for the *3GT quality issues* is now complete and this issue will be removed from the next iteration of the Issue Log.

- A new issue has been recognised in relation to a *Breach of financial regulations*.

2.3 Risks

Following its review, the SRR now contains 20 risks, of which three have the highest residual score of 25:

- *Failure to deliver the opportunities and benefits of the Investment Programme*
- *External factors*
- *Inflation & global supply chain pressures*

A further eight risks are rated at High / Red:

- *Financial resilience of WMCA to absorb fiscal shocks*
- *Information assurance & protective security*
- *Stakeholder & political relations*
- *Capacity and capability*
- *Post pandemic sustainability of public transport network*
- *Commerciality*
- *Financial sustainability of the Mayoral-led CA Model*
- *Cost of Living Crisis (New)*.

2.4 Embedding Risk Management

In the last two months I have continued to meet teams across the CA to focus attention on the need for Directorate risk registers, offering my time and assistance to colleagues in respect of identifying risks and developing their risk registers. We have also begun publishing the SRR on the Risk Management intranet page as an aid to broadening understanding of risk management at the CA. Finally, I have produced a far simpler risk register template for use across the WMCA for all projects, programmes and directorates.

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 Update

Appendix 2 WMCA Strategic Risk Register

Appendix 3 WMCA Issues Log