

## Audit, Risk & Assurance Committee

<b>Date</b>	18 April 2023
<b>Report title</b>	WMCA Strategic Risk Update
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<b>Report has been considered by</b>	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 Executive Board (Exec Brd). The Exec Brd 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 Risks**

Following its review, the SRR now contains 22 risks, of which four 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*
- *TfWM Programme Cost Management*

A further nine risks are rated at High / Red:

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

### **2.3 Embedding Risk Management**

There has been an encouraging response to my engagement discussions with Directorates; about the need to implement Directorate / Operational risk registers. When they met in March, the Exec Brd reaffirmed their commitment to the Strategic Risk Management Framework recognising the importance of timely engagement on the strategic risk discussions and to continue to support my efforts to embed good risk management practices through my ongoing engagement with their teams and particularly their use of risk information at operational level.

To support this I plan to work with the Performance Manager to help Directors and their leadership teams to look at how they can use both performance and risk information to support their effective decision making. This will in turn lead onto improved performance and risk reporting to the Executive Board and the ARAC.

### **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