



AUDIT AND GOVERNANCE COMMITTEE	AGENDA ITEM No: 9
27th SEPTEMBER 2019	PUBLIC REPORT

PERFORMANCE UPDATE AND CORPORATE RISK REGISTER REVIEW

1.0 PURPOSE

- 1.1 The Audit and Governance Committee's terms of reference include monitoring the Combined Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances.
- 1.2 This report provides the Committee with an update on the performance reporting processes that are in place for the Combined Authority and includes an update on the performance reporting arrangements presented to the Combined Authority Board meeting
- 1.3 In the interests of good governance, the Committee is requested to review the Combined Authority Corporate Risk Register and suggest any changes they would like to put forward as a recommendation to the Board.

<u>RECOMMENDATIONS</u>
Lead Officer: Dermot Pearson, Interim Legal Counsel and Monitoring Officer
<p>The Audit and Governance Committee are recommended to:</p> <ol style="list-style-type: none">(a) Note the Performance Reporting processes that are in place for the Combined Authority;(b) Note the Performance Reporting Dashboard that is presented to the Board on a quarterly basis and recommend any proposed changes [Appendix 1];(c) Review the Combined Authority's Corporate Risk register [Appendix 2]; and(d) Recommend any proposed changes to the Corporate Risk Register to be reported to the next Board meeting for approval.

2.0 BACKGROUND

Monthly Performance Reporting Process

- 2.1. In May 2018, standard management processes were implemented across the Combined Authority, and monthly highlight reports were introduced for all Directorates. These are completed for live projects and provide an update on milestones, budget and risks, along with a RAG rating to highlight the overall status.
- 2.2. Once submitted, these highlight reports are used to populate two monthly reports, the first of which is a Performance Dashboard of all projects and is reviewed by the Project Management Office. A second, similar report is also created for projects rated red or amber and this exception report is also reviewed internally by the Senior Management Team. This report forms the basis of detailed discussions/scrutiny of management action to address issues.
- 2.3. A 10-Point Guide to Project Management was also created in March 2019 and distributed across the organisation. This document contains key information that Project Managers require for delivering successful Combined Authority projects, including how to initiate and close a project.
- 2.4. During the September All-Staff meeting, an overview to project management was presented, detailing the key developments and further improvements. This includes the roll out of MS Project.

Performance Reporting to the Combined Authority Board

- 2.5. As agreed at the October 2018 meeting, the Combined Authority Board receives an update on Performance Reporting once a quarter. This includes a delivery dashboard, with detail on the following:
 - Updated data on the following key metrics:
 - Increase of GVA in the area;
 - Total number of houses built;
 - Number of affordable houses built;
 - Jobs growth;
 - Number of apprenticeships;
 - Number of residents living within 30 minutes of a major employment center.
 - An overview on the top priority projects from the portfolio of live projects, with ratings on a Red/Amber/Green (RAG) scale; and
 - Information on movement across the whole programme, plus a total of all projects with a Red rating.
- 2.6. An example of the latest delivery dashboard submitted to the September Combined Authority Board meeting is attached at Appendix 1.

- 2.7. In addition to the delivery dashboard, the exception report is shared with Board Members as a confidential appendix. Board Members can request more information on these projects as they so wish.
- 2.8. To align with sharing the exception report with Board Members, Critical Friend clinic sessions are arranged internally with members of the Project Management Office. This provides an opportunity for Combined Authority officers and Directors to review the data in these reports in further detail.
- 2.9. Work is being undertaken to improve the reporting of key performance indicators, with amended templates for both the highlight reports and performance dashboards being created. Updated versions of these reports will be released in the late Autumn.

Corporate Risk Register

- 2.10. The Corporate Risk Register is populated by reference to individual project risk assessments and over-arching corporate risks.
- 2.11. The Corporate Risk Register is reviewed monthly by Directors, any risks which arise or which become more significant between the monthly meeting are escalated to the next Director's meeting.
- 2.12. The same risk register template and terminology are used by all Project Managers during the reporting process for each project. Any risks that score over the agreed threshold on an individual project register will then also appear on the main risk register so that it can be monitored accordingly.
- 2.13. The Corporate Risk Register was last presented to Committee at its meeting in May 2019. Since then three risks have been removed from the Register:
- "Adult Education Budget not ready in time"
 - The AEB has now been devolved to the Combined Authority.
 - "Resource planning and financial management"
 - The Combined Authority approved a Medium Term Financial Plan in January 2019 and the Business plan sets out programmes, timetables and outcomes.
 - "Progress on University of Peterborough stalls"
 - There is a robust Action Plan and an external Project Management Team have been engaged
- 2.14. Three additional risks have been added to the Register:
- "Failure of CPCA grant-funded organisations to deliver"
 - "Potential Impact of Brexit"
 - "Achievement of First Gateway Review"

The five-yearly Gateway Reviews involve an independent panel assessing the impact of the Combined Authority's investments on economic growth.

- 2.15. The number of risks with risk ratings of “Very High” has reduced from four to two since May. This due to the removal of the entries for the Adult Education Budget and the University of Peterborough from the Register. “Funding of ambitious programmes” and “Financial Capacity in the Organisation” both retain a risk rating of “Very High”.

3.0 FINANCIAL IMPLICATIONS

- 3.1. All of the work has been carried out in-house, therefore there are no significant financial implications to this activity.

4.0 LEGAL IMPLICATIONS

- 4.1 The keeping of a corporate risk register is part of the process of appropriately identifying and managing risk within the Combined Authority. The keeping of a Corporate Risk Register is a requirement of the Assurance Framework.

5.0 APPENDICES

- 5.1. Appendix 1 – Performance Reporting Dashboard [September 2019]
Appendix 2 - The Corporate Risk Register (including Scoring Matrix)

<u>Background Documents</u>	<u>Location</u>
Not applicable	