



AUDIT AND GOVERNANCE COMMITTEE	AGENDA ITEM No: 5
16 DECEMBER 2019	PUBLIC REPORT

REVIEW OF THE CORPORATE RISK MANAGEMENT STRATEGY AND RISK REGISTER

1.0 PURPOSE

- 1.1 The Audit and Governance Committee's terms of reference include monitoring the Combined Authority's risk management arrangements.
- 1.2 This report provides the Committee with a proposed revised Corporate Risk Management Strategy and an update on the Corporate Risk Register.
- 1.4 In the interests of good governance, the Committee is requested to review the proposed revised Corporate Risk Management Strategy and Corporate Risk Register and suggest any changes they would like to put forward as a recommendation to the Combined Authority Board.

<u>RECOMMENDATIONS</u>
Lead Officer: Dermot Pearson, Interim Legal Counsel and Monitoring Officer
<p>The Audit and Governance Committee are recommended to:</p> <p>(a) Recommend to the Combined Authority the adoption of the proposed revised Risk Management Strategy [Appendix 2]; and</p> <p>(b) Recommend any proposed changes to the Corporate Risk Register to be reported to the next Combined Authority Board meeting for approval. [Appendix 3]</p>

2.0 BACKGROUND

Corporate Risk Management Strategy

- 2.1. The current Risk Management Strategy was adopted in February 2018 by the Combined Authority and forms Appendix 1 to this report, it is due for review to ensure it reflects current best practice.

2.2. The proposed revised Corporate Risk Management Strategy forms Appendix 2 to this report and differs from the current Risk Management Strategy in that:

- Adopts a clearer hierarchy in dealing with Project, Programme, Portfolio and Corporate Risks with defined risk promotion and risk escalation processes.
- Provides greater and improved clarity on the aims and objective of the Strategy and its implementation within the Combined Authority.
- Clearly defines the roles and responsibilities of individuals, committees and the Combined Authority Board in their importance in managing and mitigating risk.
- Confirms how risks are to be managed, within appropriate measures and controls and how issues are to be mitigated when they do arise with clear processes to be followed.
- Addresses how risks can also be positive and create opportunities.
- Sets out the expectations of officers in relation to the understanding and management of risk.
- Aligns with the Assurance Framework and Constitution and relates to British Standard principles and guidelines.
- Provides an opportunity register and issue register to ensure all aspects of the management of risk is captured throughout the Project, Programme and Portfolio lifecycle.

2.3. The proposed revised Corporate Risk Management Strategy is recommended to the Committee as a more effective approach to the management and mitigation of risk across the Combined Authority's activities. The recommendation is that Committee recommend the proposed revised Corporate Risk Management Strategy for adoption by the Combined Authority Board.

Corporate Risk Register

- 2.4. Corporate Risk Register is populated by reference to individual project risk assessments and over-arching corporate risks. 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.
- 2.5. 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.
- 2.6. The Corporate Risk Register was last presented to Committee at its meeting in September 2019. At that time the Committee discussed whether the risks associated with climate change should be a separate entry on the Corporate Risk Register. At present risks associated with climate change are considered at the level of individual projects and programmes rather than at a Corporate level. The Assurance Framework requires there to be risk registers for each

project. At its meeting on 29 November 2019 the Combined Authority Board approved the establishment of an Independent Commission on Climate Change. The terms of reference for the Commission include providing independent advice on preparing for climate change. This will assist the Combined Authority and other bodies the approach they take to the management and mitigation of risks associated with climate change.

3.0 FINANCIAL IMPLICATIONS

- 3.1. All 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 an up to date Risk Management Strategy and 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 – The Risk Strategy adopted in February 2018.
Appendix 2 - The Proposed Revised Corporate Risk Management Strategy.
Appendix 3 – The Corporate Risk Register.

<u>Background Documents</u>	<u>Location</u>
1. Cambridgeshire & Peterborough Combined Authority (CPCA) Constitution, 2019. 2. Cambridgeshire & Peterborough Combined Authority (CPCA) Assurance Framework, 2019.	1. https://cambridgeshirepeterborough.gov.uk/assets/Uploads/Constitution-2019-10-24.pdf 2. https://cambridgeshirepeterborough.gov.uk/assets/Assurance-Framework-Publication-Nov-2019.pdf