



<b>AUDIT AND GOVERNANCE COMMITTEE</b>	<b>AGENDA ITEM No: 6</b>
<b>27 November 2020</b>	<b>PUBLIC REPORT</b>

## **REVIEW OF RELATIONSHIP BETWEEN RISK AND CHANGE CONTROL DOCUMENT**

### **1.0 PURPOSE**

- 1.1 This report provides the Committee with a proposed Relationship between Risk and Change Control document, which is to enhance the current Risk Management Strategy and establish an early warning notification and change control process.
- 1.2 The Audit and Governance Committee's terms of reference include monitoring the Combined Authority's risk management arrangements.
- 1.3 In the interests of good governance, the Committee is requested to review the Relationship between Risk and Change Control document and suggest any changes they would like to put forward as a recommendation to the Combined Authority Board.

### **RECOMMENDATIONS**

**Lead Officer: Francesca Houston, Transport Programme Manager.**

The Audit and Governance Committee are recommended to:

- (a) Recommend to the Combined Authority the adoption of the proposed Relationship between Risk and Change Control document [Appendix 2]

### **2.0 BACKGROUND**

#### **Relationship between Risk and Change Control**

- 2.1. The current Risk Management Strategy was proposed and reviewed by Audit and Governance Committee in December 2019. It made the recommendation to the Combined Authority Board for the adoption of the strategy and this was agreed in January 2020.

2.2. The proposed Relationship between Risk and Change Control document, Appendix 1, enhances the existing risk management processes within CPCA. It introduces the following principles that differs from the current Risk Management Strategy in that:

- Clearly defines Risk Appetite and Risk Tolerance and its accepted levels within CPCA and how this is calculated for each project.
- Confirms how risks are to be financially quantified using both qualitative and quantitative assessments and provides an updated risk and opportunity register.
- Confirms how risks are to be further managed, within appropriate measures and controls (risk tolerance / contingency).
- Introduces an early warning notification and change control process.
- Addresses delegated authority to authorise financial change within each directorate.

2.3. The proposed Relationship between Risk and Change Control is recommended to the Committee as a more effective approach to the management of risk and change across the Combined Authority's activities. The recommendation is that Committee recommend the proposed Relationship between Risk and Change Control document for adoption by the Combined Authority Board.

### 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 is part of the process of appropriately identifying and managing risk within the Combined Authority.

### 5.0 APPENDICES

5.1. Appendix 1 – Risk Management Strategy adopted in January 2020.

5.2. Appendix 2 - Proposed Relationship between Risk and Change Control document

<u>Background Documents</u>	<u>Location</u>
1. Cambridgeshire & Peterborough Combined Authority (CPCA) Constitution, 2020.	1. <a href="https://www.cambridgeshirepeterborough-ca.gov.uk/constitution-final-2020-11-06-for-website.pdf">Constitution-Final-2020-11-06-for-website.pdf (cambridgeshirepeterborough-ca.gov.uk)</a>
2. Cambridgeshire & Peterborough Combined Authority (CPCA) Assurance Framework, 2019.	2. <a href="https://www.cambridgeshirepeterborough-ca.gov.uk/assurance-framework-publication-nov-2019.pdf">Assurance-Framework-Publication-Nov-2019.pdf (cambridgeshirepeterborough-ca.gov.uk)</a>

3. Cambridgeshire & Peterborough  
Combined Authority (CPCA) Risk  
Management Strategy, 2020

[Risk Management Strategy](#)