



Report title: Review of Corporate Risk Register & Risk Management Strategy

To: Audit and Governance Committee

Meeting Date: 29 January 2021

Lead Member: Mayor James Palmer

From: Robert Parkin
Monitoring Officer

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) Review the Combined Authority's Corporate Risk Register (Appendix 1)
- b) Review the Corporate Risk Management Strategy (Appendix 2)
- c) Request that the Monitoring Officer bring a report back to this committee proposing any changes to the Risk Management Strategy and Corporate Risk Register arising out of the report of the internal auditor on Risk Management
- d) Recommend any proposed changes to the Corporate Risk Register to be reported to the next Combined Authority Board meeting for approval.

Voting arrangements: A simple majority of all Members.

1. Purpose

- 1.1 The Audit and Governance Committee's terms of reference include monitoring the Combined Authority's risk management arrangements including the risk register.
- 1.2 This report provides the Committee with the Corporate Risk Management Strategy and an update on the Corporate Risk Register.
- 1.3 In the interests of good governance, the Committee is requested to review the 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.

2. Background

Corporate Management Risk Strategy

- 2.1 The current Corporate Risk Management Strategy was adopted by the Combined Authority in January 2020 and forms Appendix 2 to this report. The report, prepared by the Combined Authority's internal auditor RSM, and referred to in item 5, makes suggestions as to improvements in the strategy (including, for example, the use of SMART mitigations and controls), the current strategy is attached as appendix 2 to this report and it is proposed that it be reviewed, taking into account the comments of the internal auditor.

Corporate Risk Register

- 2.2 The Corporate Risk Register is populated by reference to individual project risk assessments and over-arching corporate risks.
- 2.3 The Corporate Risk Register is reviewed by the Corporate Management Team, any risks which arise, or which become more significant between their meetings are escalated to the next Director's meeting.
- 2.4 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. Again, the report of the internal auditor on risk includes some recommendations around the corporate risk register.

Significant Implications

2.5 Covid -19 Pandemic Risk ID's – 14, 16 and 19

Despite the country entering a new lockdown it was felt that this did not have a significant impact to the two risks ID 16 and ID 19 which considered the short term impacts and long term impacts on the Combined Authority objectives; there were new business support grants which the Combined Authority would be using to help local businesses as had been done during the previous lockdown and therefore the ratings for these two risks remained unchanged.

Risk ID 14 - Covid -19 A –which considered the potential disruption to the operation of the Combined Authority due to possible increasing numbers of staff absences has had its likelihood rating increased to Moderate to reflect the high infection rate of the new variant of the Covid 19 virus. The overall risk rating is now 12 and RED.

2.6 Risk ID 21 – MHCLG review of £100m Housing Programme

As the deadline for the housing programme is fast approaching the likelihood of the risk has been increased to Likely – making the overall rating 12 and RED.

2.7 Risk ID 1 - External delivery partners unable to deliver on agreed commitments to CPCA projects

Constituent Councils were currently reviewing their budgets and some may be in a position where they would not be able to enter into new contracts with CPCA going forward due to financial pressures. However, the CPCA could seek alternative options from central government for loans of projects if the district councils were no longer in a position to provide this service. To reflect this the rating for Risk ID 1 had been changed with the likelihood increased to Moderate and the Impact to Major, making the overall risk rating 12 and RED.

2.8 A risk has been escalated from the Directorate for Delivery and Strategy register to the Corporate Risk register (Risk ID 22).

3. 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. Legal Implications

4.1 No significant legal implications.

6. Appendices

6.1 Appendix 1 – Corporate Risk Register

6.2 Appendix 2 – Corporate Risk Management Strategy

6.3 Appendix 3 – Corporate Risk Heat Map