

---

**Report to:** Governance and Audit Committee

**Date:** 28 November 2017

**Subject:** Draft Risk Management Strategy

---

## **1 Purpose**

- 1.1. This report provides an update on the work that is currently underway to review and enhance existing risk management arrangements for the West Yorkshire Combined Authority, in order that Members of the Governance and Audit committee can provide input to this.

## **2 Information**

- 2.1 Work is currently taking place to review and update WYCA's existing risk management arrangements. Routine consideration of the risk management approach is vital to ensure that the organisation remains proactive in identifying risks and managing these in a timely manner.
- 2.2 In addition the current review is also addressing a number of recommendations made by the Internal Audit team following their audit of risk management arrangements which took place earlier this year.
- 2.3 The objective of the audit was to assess the reliability of risk management systems and to make sure that the systems in place are properly administrated, authorised and recorded. As reported to the Governance and Audit Committee in April 2017, the resulting audit opinion noted that some improvements were required in existing risk management systems. The audit also concluded that while elements of an effective risk management framework were found to be present, these weren't necessarily consistently applied. This is reflective of an organisation undergoing significant change and the current review offers a timely opportunity to ensure updated risk management arrangements are embedded in new teams and new ways of working.
- 2.4 The current review of risk management arrangements is therefore seeking to ensure that the arrangements are appropriate for the new organisation, focussing on delivering greater consistency in risk management activities throughout the organisation and in doing so ensure the specific audit recommendations are addressed.
- 2.5 The organisation currently has a Risk Manual in place which sets out both the strategy for risk management and the detailed guidance associated with the current risk systems in operation. The internal audit review highlighted that the strategy and

guidance elements of the Risk Manual should however be separated out in order to better reinforce roles, responsibilities and expectations. As such a draft Risk Management Strategy has been prepared to more clearly set out the key organisational principles and processes by which risk management activities will be governed.

- 2.6 A copy of the draft risk management strategy is attached at Appendix 1. The key areas covered by this document can be summarised as follows:
- Policy statement on WYCA's approach to risk management;
  - WYCA Risk Appetite Statement;
  - Risk management approach (including risk recording procedures, assessment of risks, and risk response categories);
  - Risk management roles and responsibilities; and
  - Risk Reporting and Escalation Process
- 2.7 In parallel to the development of the draft Risk Management Strategy, the organisation's Corporate Risk Register is also currently under review. The Corporate Risk Register contains the main on-going or long term risks to WYCA on an organisation wide basis. These risks are owned and managed by the Leadership Team. The current version of the Corporate Risk Register is provided at Appendix 2.
- 2.8 Throughout October and November detailed discussions have been taking place with each Directorate to determine their business objectives and budget requirements for 2018/19, as part of the annual business planning process. These discussions are also including consideration of key risks for each Directorate and the emerging risks to have been raised through this process which have a corporate implication are included in the Corporate Risk Register.
- 2.9 The Corporate Risk Register includes a general risk around the potential for legal challenge in the event of not being compliant with legislation. A key issue for the organisation at present is the need to be compliant with the General Data Protection Regulations (GDPR) which come into force in May 2018. As such preparation for the implementation of this legislation is currently a key area of work for the organisation and a summary of progress to date is provided below.
- 2.10 In January 2017 a new Information Governance (IG) Officer was appointed as a dedicated resource to prepare the organisation for the implementation of GDPR as well as ensuring continuing compliance with both current and future regulations.
- 2.11 A new and revised suite of IG policies was published in June 2017 outlining the organisation's approach to:
- Data Protection
  - Information Governance
  - Information Sharing
  - Freedom of Information/Environmental Information Regulations
  - Subject Access Requests
  - Records Management, Retention and Disposal

- 2.12 In addition colleagues from Leeds City Council have conducted an IG audit to help identify areas to prioritise in order to better prepare for May and this has led to a number of actions being completed including:
- The creation of an Information Asset Register with clear retention periods
  - Commencement of a sub-project focused on archiving and securely disposing of information we are no longer required to hold.
  - New mandatory Data Protection Training has been rolled out to all employees
  - Creation of a new privacy notice which will be published on all of our websites.
  - Introduction of a standard Privacy Impact Assessment template for all officers to complete when embarking on any project
  - A new Data Protection Officer expected to be in post in the new year.
  - Ongoing ICT review of all in-house systems that store personal data.

### **3 Financial Implications**

- 3.1 None arising directly from this report

### **4 Legal Implications**

- 4.1 None arising directly from this report

### **5 Staffing Implications**

- 5.1 None arising directly from this report

### **6 External Consultees**

- 6.1 None.

### **7 Recommendations**

- 7.1 That Governance and Audit Committee note the draft Risk Management Strategy and provide any feedback on this including feedback on the Risk Appetite Statement (which is presented at section 3 of the strategy.)
- 7.2 That Governance and Audit Committee note the summary of corporate risks at Appendix 2 of this report and provide feedback on these.

### **8 Background Documents**

- 8.1 None.