
Report to: Governance and Audit Committee

Date: 28 July 2022

Subject: **Risk Management Arrangements**

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1. Purpose of this report

1.1 This report sets out an update on corporate risk matters for consideration by Governance and Audit Committee, specifically:

- To update Governance and Audit Committee on work underway within the Corporate Planning and Performance Team and future plans in relation to corporate risk strategy.
- To highlight risks recently escalated onto the Corporate Risk Register and seek any further input.

2. Information

Corporate Risk Strategy and Approach

2.1 The Corporate Risk Management Strategy has been in place since January 2020 and sets out the Combined Authority's long-term strategy on risk. It is attached as **Appendix 1**. While the majority of the strategy remains relevant and useful, there is a recognition that this needs to be reviewed in the coming months to ensure it is still fit for purpose and reflects the needs of the evolving organisation and environment we are working within. This will include:

- Review of the suite of templates and documents to ensure these are fit for purpose and user friendly
- Review of the risk appetite and categories
- Wholesale review of the existing risk registers and contents
- Clarity over escalation process and key points of contact

2.2 A key focus of the Corporate Planning and Performance Team, as capacity increases to dedicate to this work, will be on working in partnership with Directorates to embed a focus on more active risk management, ensure the

strategy is consistently applied and that teams are supported to monitor and control risks and issues more effectively.

- 2.3 The first step in this work will be a session with the Strategic Leadership Board on 22 July to review the current risks identified on the risk register. The Strategic Leadership Board meets quarterly and provides challenge and support to the organisation on matters relating to business planning, corporate objectives, performance, risk and other such strategic matters. The members of the Board include the Mayor of West Yorkshire (Chair) and Deputy Mayor, LEP Chair, Directors of Development Chair, Combined Authority Chief Executive and Directors, Head of Finance, HR, Legal and Governance Services, and UNISON Branch Secretary.
- 2.4 Following initial feedback from the Strategic Leadership Board there will be further consideration and refinement with the senior officers within the Combined Authority to enable a paper to be brought back to Governance and Audit Committee seeking further views and approval. Views from this Committee are also welcomed at this stage.

Escalations to the Corporate Risk Register

- 2.5 Each Directorate has its own risk register which should be regularly reviewed within Directorate Management Teams. Risks at this level should be managed/mitigated at the directorate level.
- 2.6 Risks that become unmanageable within directorates should be escalated to Corporate Risk Register. This can be done either through Senior Management Team (SMT), which reviews the Corporate Risk Register Quarterly, or via Regulatory and Compliance Board which meets monthly and includes representation from all Directorates. Any escalations made through Regulatory and Compliance Board will still be reported to SMT quarterly for oversight.
- 2.7 Risks recently escalated / added to the Corporate Risk Register are set out in **Appendix 2**. These broadly cover the following areas:
 - Inflation / Cost of Living
 - Labour market / Skills shortage
 - Terms and Conditions negotiations
 - Net Zero Carbon by 2018
- 2.8 Members are asked to consider the current corporate risk register and provide any feedback on the risks and/or the mitigations shown.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Governance and Audit Committee notes the risk management arrangements and consider what further information it wishes to receive as the review progresses.
- 10.2 That the Governance and Audit Committee consider the corporate risk register and provide any feedback on it.

11. Background Documents

None.

12. Appendices

Appendix 1 – Risk Management Strategy

Appendix 2 – Corporate Risk Register (currently undergoing review)