
Report to: Governance and Audit Committee

Date: 12 January 2023

Subject: **Risk Management Strategy**

Director: Angela Taylor, Director, Finance and Commercial Services

Author(s): James Bingham, Corporate Planning and Performance Officer

1. Purpose of this report

- 1.1 To provide Governance and Audit Committee with an update on corporate planning and performance activities.

2. Information

Corporate Risk Review

- 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. While the majority of the strategy remains relevant and effective, there is a recognition that this needs to be reviewed to ensure it is still fit for purpose and reflects the needs of the evolving organisation and environment we are working within. The Risk Strategy and associated risk management tools will be updated to reflect the Combined Authority's outcome led organisational operating model and structure. This will update how risks are viewed and managed across the Combined Authority.

The areas that have already been addressed and actioned include:

- An update of the directorate risk registers to make them more user friendly and fit for purpose
- The creation of a risk management working group that consists of seven risk coordinators across the directorates and two corporate planning and performance officers. This working group meets monthly to discuss all aspects of risk management in all of the directorates.
- Clarification of the escalation process from a directorate level risk and corporate level risk.
- Initial steps taken towards integration of the policing and crime team risk management.

Further areas that are being addressed over the coming months are:

- Review of the current risk registers and re-alignment to the new structure of the organisation – current risks need to be moved to the correct directorate and risk owners will need to be reassigned.
- An update of the corporate risk register to be more user friendly and fit for purpose.
- Following the finalisation of the 2023/24 business plans an update of the specific risks across the directorate risk registers and corporate risk register will be carried out. This will include closing risks that are no longer relevant, adding new risks that are identified through the outcomes stated on the business plans.
- The new corporate risk register design will explicitly link to the seven corporate objectives to place a greater causal link on risk to delivery of long term impacts.
- Further integration of the Policing Teams in the Risk Strategy and Risk Register.
- Further investigation of the risk appetite categories and scoring.

2.2 The Corporate Planning and Performance Team is working in partnership with Directorates to embed a focus on more active risk management, ensuring the strategy is consistently applied and that teams are supported to monitor and control risks and issues more effectively. Corporate Planning and Performance Officers meet on a monthly basis to assess and support the risk management process across all directorates.

2.3 Recent work has focused on feedback from the senior team in the following areas:

- Differentiation in the Corporate Risk Register between potential risks that might occur, and risks that are currently active. This has been actioned and the corporate risk register now differentiates between risks (aspects that have the potential to occur), and Issues (risks that have materialised and are currently affecting the Combined Authority)
- The importance of risks focusing on equality, diversity and inclusion (EDI). This has been actioned and now there are multiple risks on the register relating specifically to EDI.
- Support for prioritising review of the escalation process to ensure consistency of approach. This has been actioned and there is now clear information on each risk register of the escalation process.

3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report. The risk management strategy and tools will allow the Combined Authority to identify and mitigate risks associated with tackling the climate emergency.

4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report. The risk management strategy and tools will allow the Combined Authority to identify and mitigate risks associated with Inclusive Growth.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report. The risk management strategy and risk management tools will allow the Combined Authority to identify and mitigate risks associated with Equality and Diversity.

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

- 10.2 That the Governance and Audit Committee notes progress to date.

11. Background Documents

None.

12. Appendices

Appendix 1 – Corporate Risk Register – December 2022 Update. The Corporate Risk Register will be updated following the integration of the new organisational structure on January 1 2023 to reassign risk owners to the new directorate and roles.