



Report to:	Governance and Audit Committee
Date:	20 January 2025
Subject:	Risk Management
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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If the report does contain exempt information, what is the reason for exemption: <i>(indicate in the adjacent box the relevant paragraph of Schedule 12A, Local Government Act 1972, Part 1 – see Access to Information Rules)</i>	3

1. Purpose of this Report

- 1.1 This report provides a progress update on the previously presented RMS (Risk Management Strategy) development plan (**Appendix 1**).
- 1.2 The report further provides an insight into how risk appetite and the use of a risk rating scales are important when considering the overall grading of risks (risk rating). The information presented should enable consistent interpretation across the Combined Authority and will be rolled out as part of the communications for the new risk management framework once developed. It is vital that the Combined Authority appreciates what it means for the organisation when the Combined Authority is managing a risk graded very high, high, medium, low or very low.
- 1.3 Based on some initial interim measures and a review of the Combined Authority's approach to risk grading, as well as risk management, a revised corporate risk register (**Appendix 4**) is presented for review by the members of the committee. Noting that the recorded risks are part of work in progress to get to a position where the full picture of the Combined Authority's risk position can be presented. This will continue to develop over the course of the first two phases of the risk maturity cycle as presented in the RMS Development plan (**Appendix 1**).

2. Recommendations

- 2.1 That the Committee notes the progress made to date on the RMS Development Plan (**Appendix 1**).
- 2.2 That the Committee endorses the roles and responsibilities of all staff in relation to risk management (**See 3.27 – 3.28**).
- 2.3 That the Committee endorses the approach to develop the organisational risk appetite for predefined risk categories and approves the risk rating scale to be used as per the Orange Book – Management of Risk, Principles and Concepts 2020 (**See 3.24 – 3.26**).
- 2.4 That the Committee endorses the revised corporate risk register (**Appendix 5**) and notes that the register is presented in a work in progress format as the RMS Development Plan (**Appendix 1**) is executed.
- 2.5 That the Committee endorses the simple risk placement decision-making framework for establishing if a risk is required to sit on the corporate risk register or perhaps better managed on a more appropriate risk register (**See 3.43-3.45**).
- 2.6 That the Committee provides feedback as requested in **4.7** in relation to continuous improvement.

3. Information

RMS Development Plan – Progress Update

Assessment Phase

- 3.1 A risk maturity assessment through a number of evaluation methods, as presented in the RMS Development plan (**Appendix 1**), has been completed and a risk maturity assessment & gap analysis report is due to be presented to internal leadership. We are pending the risk appetite statement which will be finalised as part of the development phase and be included in the new risk management framework (Risk Management Policy, Procedures, Guidelines etc).
- 3.2 An interim level risk register template (**Appendix 4**) has been created and an overview of this was presented at the private session for members of the Governance and Audit committee following the committee meeting on the 28 October 2024.
- 3.3 A risk e-survey was issued to Combined Authority staff on **24 October 2024** via a link to a specific distribution list that included those who met the following criteria:
 - **Held a position of line management**
 - **Held a position as a Head of Service**
 - **Held a position as a Director**

- 3.4 The survey was completed on an anonymous basis and open for two weeks, closing on the **8 November 2024**. With the distribution list consisting of **287** members meeting the criteria, a great response was received from **157** members of staff, resulting a **54.7% response rate**. A sample set consisting of over half of the people who are (or should be) involved in risk management activities have provided insight for leadership and strategy development for the West Yorkshire Combined Authority.
- 3.5 Significant insights from the e-survey were presented to the internal leadership board on the **26 November 2024** to understand the current landscape of the risk maturity assessment. The report concluded the emphasis on the need for adequate tools, resources and, fundamentally, training and to further develop risk management practices. However, most importantly, the Combined Authority needs to create a framework that standardises the Combined Authority's risk management approach and provides clarity on ground rules for identification, evaluation, grading, appetite, escalation, closure etc.
- 3.6 The complete responses can be found in the appendices contained within the Risk Maturity Assessment & Gap Analysis Report due to be provided to internal leadership.
- 3.7 Risk management evaluation workshops have been delivered, gathering detailed insight to inform the Risk Maturity Assessment & Gap Analysis Report. Furthermore, the workshops benefited staff who attended with the following:
- **Understanding risk concepts**
 - **Importance of reporting and recording significant risks**
 - **Risk registers**
 - **Responsibility to manage risks**
 - **Benefits of effective risk management**
- 3.8 The directors' workshops further collated views that will allow us to tailor an organisational level risk appetite statement for each risk type.
- 3.9 A risk management workshop tailored for committee members in interpreting risk going forward is to be scheduled. As per the recommendations (see 2.6), preferred dates for committee members should be provided in order to facilitate the workshop.

Risk Framework Inspiration and Adoption

- 3.10 Along with aligning the risk management strategy with global risk management standards ISO31000, it is deemed appropriate to reflect the recommendations of practice as suggested in 'The Orange Book – Management of Risk, Principle and Concepts 2020'. This is on the basis that it is widely used in the public sector including central government organisations.
- 3.11 "The Orange Book" will be used to establish and align the Combined Authority's risk type categories for reporting and easy management as well as establishing the risk appetite. This should help with stakeholder confidence for risk management activities by key parties highlighted above. A list of the risk type categories being implemented into the Combined Authority risk registers can be found in **Appendix 2**.



Risk Appetite Considerations

3.12 There has been a dedicated directors' risk appetite workshop on the 16 December 2024. It is important that all Committee Members are familiar with the context in order to align them with the same baseline level of understanding. The information here will support the appreciation if not understanding, in the approach to defining what the grading of risk means in terms of risk appetite.

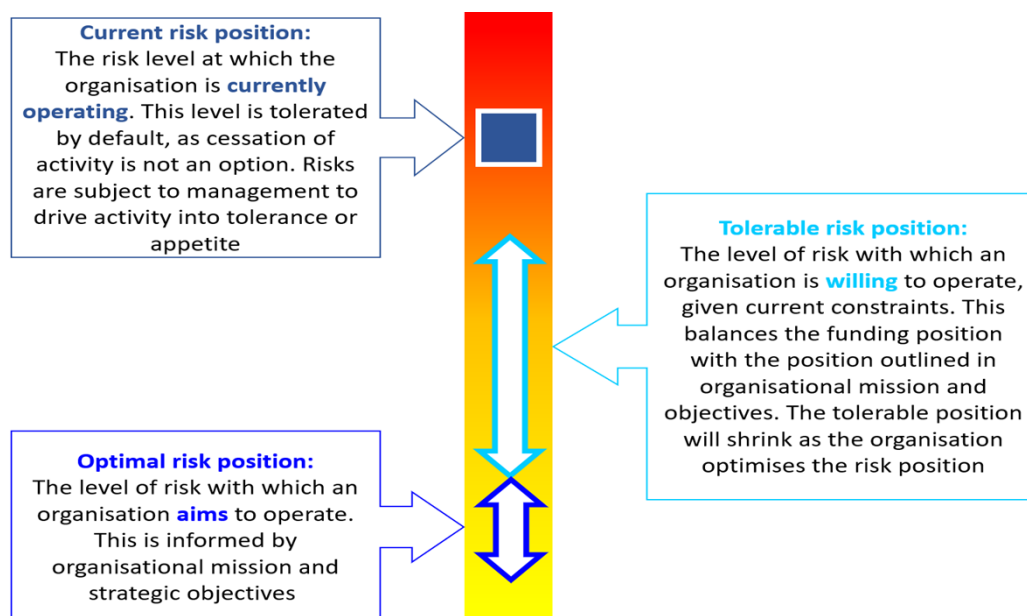
What Is Risk Appetite?

3.13 Risk appetite as a concept is often referenced in organisations, without clearly defining what it is. Similarly, the terms risk appetite and risk tolerance are frequently used interchangeably. It is equally true that many organisations already apply the principles contained herein, without necessarily fully acknowledging them as part of a risk management framework where risk appetite is actively considered in decision-making and risk tolerance is a fragment of the appetite prior to the organisation reaching its optimal risk position. 3.12 illustrates this in further detail.

3.14 When referenced in the RMS Development Plan (**Appendix 1**) and within the risk framework that is created at the Combined Authority, risk appetite will be referred to as a concept. Within this concept, the Combined Authority will refer to optimal risk and tolerable risk positions using the following definitions:

- **Optimal risk position:** the level of risk with which the Combined Authority **aims** to operate.
- **Tolerable risk position:** the level of risk with which the Combined Authority is **willing** to operate.

3.15 The diagram below demonstrates the interaction between these concepts.



- 3.16 Please note, the definition of tolerable risk in the Combined Authority's framework relates specifically to an organisational position. A tolerable risk position should not be confused with tolerating a risk, by choice, as a risk response: the Combined Authority will be tolerating a risk which sits within the tolerable or optimal positions.

Why Is Risk Appetite Important?

- 3.17 Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining both optimal and tolerable positions, an organisation clearly sets out both the target and acceptable position in the pursuit of its strategic objectives. The benefits of adopting a risk appetite include:
- Supporting informed decision-making
 - Reducing uncertainty
 - Improving consistency across governance mechanisms and decision-making
 - Supporting performance improvement
 - Focusing on priority areas within an organisation
 - Informing spending review and resource prioritisation processes.

Review of Risk Outcomes

- 3.18 Within the public sector, the nature of the services provided, changing external demands and fiscal constraints mean it is neither feasible nor practical to fully prevent or mitigate all risks at any point in time.
- 3.19 If the Combined Authority has meaningful assessments of the uncertainty that is faced within a risk, it may be adequate to carry more risk than is desired. In this case, as per the chart for optimal and tolerable risk levels above, the Combined Authority must assess if the risk is within the Combined Authority's tolerance levels, or whether active interventions are required to guide it closer over time towards the optimal position, outlined in the appetite statements (yet to be developed).
- 3.20 Risk appetite statements help to inform resource allocation at decision points, and additionally when the organisation periodically reviews its performance. The following principles should be applied in conducting this review:
- It should be considered what level of outcomes the best available performance information suggests the Combined Authority will achieve and how this informs the assessment of uncertainty and risk.
 - It should be periodically considered whether the latest assessment of the risks, both individually and aggregated into the exposure areas, is in line with the Combined Authority's appetite for risk in those areas.
 - Risk appetite statements should not be re-baselined to change the perception of tolerated risks, but the Combined Authority should consider whether the assumptions behind its previous statements remain valid and whether the

Combined Authority might, of necessity, need to recognise an increased optimal risk position.

- It should be considered how available resources can most effectively be reallocated to improve assessments of either individual risks or a category of risk, or a combination of both.
- In choosing which risks or categories of risk to prioritise bringing back into or towards its optimal position, the Combined Authority will need to consider the difference that available resources can make on the impact, likelihood or the speed with which the effects of a risk event would be experienced, and which would most improve the deliverability of outcomes.
- If no actions are being taken to improve the profile of a risk which is being tolerated outside of appetite, or there is no urgency for improvements to be realised, the Combined Authority should consider whether this suggests the real appetite for the risk and whether decisions to allocate resources to lesser risks should be reviewed. These considerations should be documented.
- It is neither feasible nor practical to fully prevent or mitigate all risks and some, which are beyond the stated appetite, might at times need to be tolerated and actively monitored.

Auditing Risk Appetite

- 3.21 As a key part of the risk management framework, and to inform an opinion on the adequacy and effectiveness of governance, risk management and internal control, it is likely that the internal auditor will want to review how the Combined Authority's risk appetite statements were developed and how they are applied in practice, within decision making and the design and operation of control activities.
- 3.22 It is intended that the Combined Authority document the factors influencing the decisions during the directors' risk appetite workshop, in December 2024, and the subsequent establishment of the risk appetite statement to ensure transparency and that the Combined Authority can demonstrate the exercise of judgement in seeking to deliver value for money.

Example Levels of Risk Appetite by Risk Type Categories

- 3.23 A table illustrating the levels of appetite by risk type category order can be found in **Appendix 3**. In due course, the Combined Authority will have established a risk appetite statement using this table for each category of risk. The final risk appetite statement will be approved by the internal leadership board and presented to a future Governance and Audit Committee for endorsement.

Risk Appetite Scale

- 3.24 The observations so far indicate that the focus of the Combined Authority has been on the grade rating of risks, i.e. High risk, very high risk etc; but this has been without an associated risk appetite scale. This in turn means that the ratings of risk presented as high or very high risk does not indicate the true position of the Combined Authority on that particular risk profile and is left as a matter of subjectivity for individual stakeholders to perceive that risk based on their individual understanding and expectation of the risk profile. To remove the subjectivity and apply a consistent and objective outlook on the risk profiles, a risk appetite scale as recommended in the previously mention “The Orange Book” should be adopted.
- 3.25 The rating scale to be adopted would mean risks are defined by appetite as per the table below:

Risk Appetite	Description	Residual Risk Rating
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.	Very Low
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.	Low
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where the Combined Authority have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.	Medium
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.	High

Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.	Very High
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3.26 Whilst currently the risk registers do not indicate risk appetite profile, in due course as part of the Development Phase as presented in the RMS Development Plan, the intention will be to adopt a risk appetite statement into the Combined Authority's risk management strategy clearly laying out the parameters and tolerance level for each risk type category and ensuring this is fundamentally applied when taking decisions on risk.

Roles and Responsibilities to Risk Management

3.27 Through initial analysis of the e-survey and observations conducted as part of the assessment phase of the risk maturity cycle, it is clear that the Combined Authority needs to improve clarity on who is responsible for what when it comes to risk management. This clarity will allow us to transition to the collective, collaborative, and organisational approach that Combined Authority are becoming familiar with; known as Enterprise Risk Management.

3.28 It is fundamental that all staff are made aware that **everyone** in the Combined Authority plays a role in managing risk. This responsibility is to be shared across the organisation as follows:

- **Board and Committees:** Provide **risk oversight** and ensure effective risk management strategies are in place, reviewing risk position as part of reporting as a line of defence.
- **Directors:** Take accountability as **risk sponsors** to ensure effective and satisfactory controls are in place.
- **Heads of Service / Service Leads:** Lead as **risk owners** with day-to-day responsibility to engage teams on managing risks, conducting reviews and reporting to risk sponsors.
- **Managers and Team Leaders:** Deliver as **risk champions** responsible for executing risk management activities, including oversight and performance on progressing the implementation of controls & assurances and maintaining risk records.
- **Risk and Compliance Team:** Develop and monitor the organisational practice of the risk management strategy and to provide **support to risk sponsors, owners and champions** in complying with the risk management strategy and framework.
- **All Staff:** Proactively **identify and escalate risks** as they arise in day-to-day activities.

Corporate Risk Register (CRR)

- 3.29 As part of interim measure developments, the existing risk register spreadsheet has undergone revision to provide clear visibility and capture additional data which will support the future digitisation development, as outlined in the RMS Development Plan (**Appendix 1**) presented to the Governance & Audit Committee on 28 October 2024.
- 3.30 Furthermore, comments from previous committee meetings have been taken into consideration to ensure that the risk register and details within it are presented in a simple, easy to read format, removing unnecessary complication thus providing benefit in accommodating accessibility needs for internal and external stakeholders with special regard for non-risk experts within the public forum.
- 3.31 It is to be noted in line with 3.24 that the usual presentation of inherent and residual risk has been changed and replaced with a mechanism to report the current risk position at the date of the report. This takes into account any existing controls to manage or mitigate the recorded risks and provides for consideration the planned further controls that are required to ensure the risk is within the acceptable threshold against appetite. It is the responsibility of the risk sponsor to ensure satisfactory performance on the establishing of controls, including the timeframe to implementation and performance progress on managing the recorded risks.
- 3.32 The Corporate Risk Register further provides details on assurances for any existing controls, and this will evidence that the existing control in place is valid and effective. Should the assurance not be able to detail the evidence, it will provide information on where or how to find the evidence for assurance. This provides an additional layer of specific assurances on controls being managed to mitigate recorded risks.
- 3.33 The Corporate Risk Register as a spreadsheet has two views, one facilitating better management of the risk and designed for stakeholders who are managing the recorded risks. The second is a condensed view for reporting where not all captured data is required to be presented.
- 3.34 For the purpose of presentation to the Committee, the Corporate Risk Register in **Appendix 4 (Redacted)** and **Appendix 5 (Private)** shows the condensed view and excludes the following data columns from presentation:
- Risk type
 - Risk source
 - Risk status
 - Corporate Objective/Organisational Risk
 - Risk Owner
 - Named contact
 - Agreed risk treatment
 - Target likelihood
 - Target impact
 - Target risk rating
 - Date risk opened

- Weeks risk has been opened
 - Risk owner review frequency
 - Last review date
 - Review overdue (Yes/No)
- 3.35 The quality of the risk records has been standardised so that all risks are recorded in a particular format as noted within the parenthesis of the column headings where relevant. This approach should make reading and interpreting the register easier than that presented previously to past meetings.
- 3.36 The approach to creating risk records has been changed so that the Combined Authority can adopt the “SMART” rule. This is to ensure that the risk records (in particular the risk description, consequences, existing controls, assurances and further controls) are Specific, Measurable, Appropriate, Real and Timebound. This enables us to increase clarity of the record and prompts accurate grading as well as ease in identifying what actions are required to manage the risks.
- 3.37 Further to 3.30, any control that is ongoing and not yet fully implemented will remain in further controls required and only moved to existing controls column once fully implemented. This provides transparency in what is actual existing control and the scope of that which is being worked on to be implemented.
- 3.38 The further controls required is to bullet point what specific further controls are required in order to have the risk achieve its tolerance level. Going forward, each further control required should have a target date for implementation. This will help ensure risk owners and sponsors are able to review the progress of the further controls required with projected timescales.
- 3.39 It is to be noted that the Corporate Risk Register is in a “work in progress” with review and changes being implemented by the recently appointed Risk & Compliance Manager. The Corporate Risk Register presented in this report is an interim development as the Risk & Compliance Manager delivers on the RMS Development Plan previously presented to the Committee. Furthermore, risk reviews with risk owners, risk sponsors and services / functions are being scheduled and the next twelve months will see many changes within the risk information reported to the Committee.
- 3.40 Noting the risk rating scale in 3.21, members of the committee should review risks based on how well they are managed, and as further developments are introduced, there will be a health check score to evaluate each risk in terms of how well the risk is being managed including the evaluation score of controls and assurances. The members of the committee are asked to appreciate that effectiveness of risk management is not interpreted by reviewing how many risks are graded very high or high, but by how well they are managed. Inherently, the Combined Authority should have several very high risks as it should be eager to be innovative and to choose options (projects and programmes) based on maximising opportunities and potential higher benefit for the people of West Yorkshire, even if those activities carry a very high residual risk.



- 3.41 The risk appetite workshop for director's outcome indicates that our organisational risk appetite statement should transition to a position that is "Open" for most risk types. This would therefore allow the Combined Authority to be an organisation, which when considering risk, is willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. We seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, **a high degree of residual risk**.
- 3.42 Whilst we discuss risks graded as very high in 4.4 below, it is important further to the above 3.41, that we appreciate there are certain risks that will be graded very high or high and remain that way, even though the risk is managed well. This is especially the case with risks that may include the potential consequence for loss of life. In these circumstances, our focus is on the strength of our controls that lead to mitigating the likelihood of these type of risks. An example of this can be found on our corporate risk register (**Appendix 4**) under CRR-002.
- 3.43 It has been further noted by the leadership team, that there is significant importance, to having clear criteria to determine what conditions need to be met for a risk to be placed on or escalated to the Corporate Risk Register. This will also conversely allow us to de-escalate a risk to a directorate or more appropriate risk register (such as asset or project risk registers).
- 3.44 Whilst there is a standardised approach for setting conditions that would determine if a risk needed to sit on the corporate risk register, we would also need a **simple risk placement decision-making framework** which would filter out many common risks that can potentially impact organisationally but overpopulate the corporate risk register unnecessarily.
- 3.45 The **simple risk placement decision-making framework** to be considered is as follows:
- **Severity:** Does the risk have a major financial, reputational or safety impact?
 - **Scope:** Does it affect the whole organisation or have significant regional implications?
 - **Accountability:** Does the senior leadership team (SLT) or board need oversight and assurance on the management of the particular risk?
- 3.46 If the answer to all the questions in the simple decision framework (3.41) is "yes", the risk should sit on the corporate risk register. If the risk can be mitigated, monitored and managed effectively within a directorate without wider organisational impact, it can remain on the directorate risk register.
- 3.47 For the standard enterprise conditions typically used for corporate risks to work for the Combined Authority, it would have to be followed by the **risk placement decision making framework** outlined above. The standard criteria to consider for a risk to qualify as a corporate risk is as follows:

- **Strategic Impact:** Threatens the organisation's ability to achieve its overarching strategic objectives or fulfil statutory duties (e.g., legal non-compliance, major governance failures).
- **Cross-Directorate Impact:** Has wide-reaching implications affecting multiple directorates or functions, potentially disrupting coordinated efforts (e.g., regional funding shortfalls).
- **Reputational Risk:** Carries a high likelihood of damaging the organisation's public trust, credibility, or relationships with key stakeholders (e.g., reputational damage from a failed investment scheme).
- **Critical Financial Risk:** Could result in a significant financial loss or threaten the organisation's financial sustainability (e.g., a severe reduction in central government funding).
- **High Likelihood/Severity (Risk Rating 25):** Is categorised as a critical or catastrophic risk in terms of impact and/or likelihood, warranting oversight at the highest level.
- **Regulatory or Compliance Breach:** May lead to sanctions, fines, or other consequences from regulators (e.g., failing to comply with national audit requirements).

3.48 Examples of Corporate Risks that meet the above criteria can be as follows:

- Loss of a major government funding stream for West Yorkshire transport projects.
- Cybersecurity breaches that could disrupt public service delivery.
- Non-compliance with carbon reduction targets impacting reputation and funding.

3.49 The Committee at this stage should consider the appropriate Corporate Risk Register in **Appendix 4** (Redacted) and/or **Appendix 5** (Private) in note of 3.33.

4. Risks and Mitigations

4.1 The number of risks at the date of Corporate Risk Register presented is summarised in the table below. A line will be provided rotationally to provide the analysis of risks for six committee meetings. This will provide a good indication of how things are changing as time progresses.

Report to G&A	Medium	High	Very High	Awaiting Approval	Total Risks on Corporate Risk Register
20 January 2025	0	5	5	1	11



4.2 It is to be noted that during the initial cycle of risk reviews between the Risk & Compliance Manager and risk owners/sponsors, the focus is on cleansing the existing risks including rewording and regrading as appropriate. Supported activity to identify new risks has not yet been carried out, however, exec directors who would sit as risk sponsors on the Corporate Risk Register have been prompted to consider the new risks highlighted in 4.6 and if they would be appropriate to add to the corporate risk register.

Open / Closed Risks

4.3 For the purposes of clarity, no new approved risks have been added or closed on the Corporate Risk Register in this reporting period and the following risk matrix has been utilised to grade the recorded risks.

Impact	5 Critical	High	High	Very High	Very High	Very High
	4 Serious	Medium	Medium	High	Very High	Very High
	3 Moderate	Low	Low	Medium	High	High
	2 Minor	V. Low	V. Low	Low	Medium	Medium
	1 Insignificant	V. Low	V. Low	V. Low	Low	Low
		1 Very Unlikely	2 Unlikely	3 Possible	4 Likely	5 Very Likely
		Likelihood				

Very High Risks

4.4 It is to be advised that the number of very high risks based on the points noted in section 3 should not cause concern, as the very nature of the Combined Authority in dealing with complex multimillion pound projects and schemes will often mean risks are inherently very high. The evaluation of the risks needs to transition to the point where we are able to report on the strength of the controls including assurances that are deployed to manage the risks. Furthermore, we will look to build a standardised library of controls that can be assigned to identified risks, streamlining the process and removing duplication of effort where possible.

- 4.5 All current corporate risks presented in appendices 5 and 6 will be placed under review with the executive leadership team to ensure that these are real risks that prevent the Combined Authority from achieving the organisational missions or corporate objectives and whether these risks can be de-escalated as operational risks to directorate level risk registers. This will allow the executive team to determine what real corporate risks need to be managed at leadership level prompting the need to discuss new risks for consideration as follows.

Risks Prompted for Consideration

- 4.6 It should be noted that there are several new risks currently in consideration by risk sponsors and if deemed appropriate for the Corporate Risk Register, then these will be added. Matters under consideration include supply chain disruptions, reputational risks, regulatory changes and project scope creep / resource allocation. All Directors are leading and supporting swift transition towards a more transparent, informative, collaborative and innovative model for risk management, to support efficient and effective delivery of the Combined Authority's objectives.

Continuous Improvement

- 4.7 With many developments to be implemented within the area of risk management and to ensure the Combined Authority is on a journey of continuous improvement, the Committee is asked to provide feedback on this report and the ease of considering the information provided in the Corporate Risk Register.
- 4.8 It is also to be noted that key risks relating to particular portfolios will be taken to the other committees as discussed at the internal leadership board allowing a 360 approach to risk management and improved transparency.

5. Tackling the Climate Emergency Implications

- 5.1 As referenced in the corporate risk register at **Appendix 4**, an existing corporate risk is the failure to meet the objectives set out in the Climate and Environmental Plan (CRR-012). The register sets out the existing controls and assurances in places as well as the further controls required.

6. Inclusive Growth Implications

- 6.1 There are no inclusive growth implications directly arising from this report, however a number of the risks identified in the corporate risk register at **Appendix 4** could have indirect implications if they materialised such as the potential bus operator failure (CRR-006) and delays in the capital programme delivery (CRR-013). The current risk management strategy and the RMS development plan under the guidance of the Risk & Compliance Manager will support the Combined Authority to identify and mitigate risks associated with Inclusive Growth.

7. Equity and Diversity Implications

- 7.1 There are no equity, diversity or inclusion implications directly arising from this report, although the risk relating to potential bus operator failure could have implications which would need to be considered should the risk materialise. The current risk management strategy and the RMS development plan under the guidance of the Risk & Compliance Manager will support the Combined Authority to identify and mitigate risks associated with equity, diversity and inclusion.

8. Financial Implications

- 8.1 The corporate risk register at **Appendix 4** includes both a risk (CRR-004) and an issue (CRR-005) relating to external pressures and uncertainty relating to the funding landscape, together with existing controls and assurances along with the further controls required.

9. Legal Implications

- 9.1 The information contained on some of the risk records on the corporate risk register in **Appendix 4** is redacted as exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person including the Combined Authority. It is considered that the public interest in maintaining the content of **Appendix 4** as exempt outweighs the public interest in disclosing the information, as publication could prejudice the financial or business affairs of the Authority. A copy of the unredacted corporate risk register can be found in **Appendix 5** marked as private for members only.

10. External Consultees

- 10.1 No external consultations have been undertaken in the preparation of this report.

11. Background Documents

- 11.1 There are no background documents referenced in this report.

12. Appendices

- Appendix 1 – RMS (Risk Management Strategy) Development Plan
- Appendix 2 – Risk Type Categories
- Appendix 3 – Example risk appetite levels
- Appendix 4 – Corporate Risk Register (with redactions)
- Appendix 5 – Corporate Risk Register (private)