
Report to: Overview and Scrutiny Committee

Date: 23 March 2018

Subject: Risk and risk appetite

Director(s): Angela Taylor, Director, Resources

Author(s): Angela Taylor

1 Purpose of this report

- 1.1 To update members on the work underway to review and enhance existing risk management arrangements for the West Yorkshire Combined Authority and seek input, in particular with regard to risk appetite.

2 Information

- 2.1 Work is currently taking place to review and update the Combined Authority'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. Work has been undertaken to date by the Governance and Audit Committee and through a workshop with the Combined Authority members.
- 2.2 The plan is to take this information and use it to update the current arrangements for approval later this year by the Combined Authority.
- 2.3 There are a number of key elements to the risk management arrangements, which are set out in the attached draft risk management strategy (**Appendix 1**). The areas covered by this document are summarised as follows:
- Policy statement on the approach to risk management
 - Risk appetite statement
 - Risk management approach (including risk recording procedures, assessment of risk and risk response categories)
 - Risk management roles and responsibilities
 - Risk reporting and escalation process.

- 2.4 In parallel with the development of the strategy the corporate (or strategic) risk register is being reviewed.
- 2.5 The risk appetite statement is set out on page 5 of the attached strategy. This considers areas of activity and the level of risk the Combined Authority is prepared to accept in each of these areas. This shows for example that there is a lower acceptance of risk in compliance and finance, but higher in transformational change. Setting the level of risk appetite assists in shaping policies and informing decisions but irrespective of the level of risk accepted all decision makers should be presented with sufficient information on risk to enable them to make an informed decision.
- 2.6 Input is sought from the Committee on the risk appetite statement as currently presented. It is suggested that it may be beneficial for a task and finish group to be established to look at this in more detail.

3 Financial Implications

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

4 Legal Implications

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

5 Staffing Implications

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

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That members note the work underway on risk management arrangements and provide input and comment on the current risk appetite statement.
- 7.2 That consideration be given to the establishment of a task and finish group to look at this in more detail.

8 Background Documents

None.

9 Appendices

Appendix 1 – Draft risk management strategy