

**REPORT TO: AUDIT COMMITTEE**

**DATE: 25 FEBRUARY 2021**

**REPORT TITLE: RISK MANAGEMENT FRAMEWORK**

**DIRECTOR: MALCOLM COE, DIRECTOR OF FINANCE**

**AUTHOR: LYNDA BIRD, HEAD OF PERFORMANCE, PLANNING  
& PROJECTS**

### **Purpose of Report**

- 1 To provide an annual update to Audit Committee on WECA's approach to managing risk.

### **Impact of Covid-19 pandemic**

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- The Covid-19 pandemic has put into focus the need to ensure that key risks to delivery, and their mitigations, are clearly articulated
- WECA had a robust business continuity plan in place which was activated in March 2020 as we moved to working from home
- A full review of priorities was carried out in April 2020 to ensure focus on responding to the pandemic. This in turn was reviewed in July/August 2020 as part of our annual PDR process
- The quarterly reporting cycle covering the business plan and risk register was paused until September 2020 whilst we focused on developing our regional recovery plan.
- The WECA business plan, setting out our proposed activities for 2021-22, was approved by Committees in January 2021. This is a strategic plan and has been designed to ensure there is flexibility to respond to the emerging situation as we move through and out of the pandemic

### **Recommendation**

- Members are asked to endorse the updated risk management framework

### **Background / Issues for Consideration**

- 2 The West of England Combined Authority is committed to deliver its strategic objectives of clean and inclusive economic growth whilst retaining a clear focus on the potential risks and opportunities associated with the activities set out in the annual business plan.
- 2.1 The risk management framework sets out our approach to identifying and managing the risks associated with delivery of the WECA business plan.
- 2.2 The framework has evolved over the past three years and forms an integral part of WECA's performance reporting process.
- 2.3 The framework has been reviewed by WECA SMT. No substantive changes have been recommended this year.
- 2.4 A draft of the updated risk management framework is attached as appendix one of this report.
- 2.5 The current corporate risk register is attached as appendix one of this report.

### **Consultation**

- 3 The risk management framework for 2021 has been reviewed and endorsed by WECA SMT.
- 3.1 Risk management was discussed with Internal Audit on 19 January 2021 as part of their review of the Reasonable Assurance Model. No specific actions were requested following this meeting.
- 3.2 An update on the corporate risk register is included as part of reporting on the WECA business plan to Committee meetings.

### **Other Options Considered**

- 4 None

### **Risk Management/Assessment**

- 5 Without a formal risk management framework and processes, WECA will not be able to anticipate and take preventative action to avoid risk and will instead incur time and additional cost in managing the consequences of unplanned events.

### **Public Sector Equality Duties**

- 6 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.

6.1 The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

6.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

6.3 There are no equality implications arising directly from this paper. Equalities implications are considered as part of the planning and implementation of specific activities.

#### **Finance Implications, including economic impact assessment where appropriate:**

7 Core financial risks to the Combined Authority, together with mitigating actions, are highlighted in the Corporate Risk Register.

Advice given by: Malcolm Coe, Director of Investment and Corporate Services.

#### **Legal Implications:**

8 The Accounts and Audit (England) Regulations 2015 state that “A relevant authority (the Council) must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk”. This framework meets this requirement and is an essential part of good governance for the Combined Authority.

Advice given by: Shahzia Daya, Director of Legal

#### **Climate Change Implications**

9 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region’s residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- \* The emission of climate changing gases?
- \* The region’s resilience to the effects of climate change?
- \* Consumption of non-renewable resources?
- \* Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/consideration as necessary as part of their detailed project-specific management arrangements

- 9.1 *Taking the above specifically into account, please comment on any climate change implications arising as a result of this report, and include details of any mitigation:*
- 9.2 There are no specific climate change implications arising as a result of this report. Risks arising from the declaration of the Climate Change Emergency, in relation to the delivery of WECA's business plan, are highlighted in the corporate risk register.

### **Land/property Implications**

10 n/a

### **Human Resources Implications:**

- 11 There are no Human Resource implications arising directly from this report.
- 11.1 If specific workforce risks are identified through this process, they will be managed in line with policy and best practice in consultation with the Human Resources Team.

Advice given by: Alex Holly, Head of People and Assets

### **Appendices:**

*List any appendices to the report:*

Appendix 1 – WECA Risk Management Framework 2021

Appendix 2 – WECA Corporate Risk Register

### **West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)