

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
AUDIT COMMITTEE**

DATE: 12th December 2022

REPORT TITLE: RISK MANAGEMENT

DIRECTOR: RICHARD ENNIS

**AUTHOR: MARK WAKEFIELD,
HEAD OF CHIEF EXECUTIVE'S OFFICE**

Purpose of Report

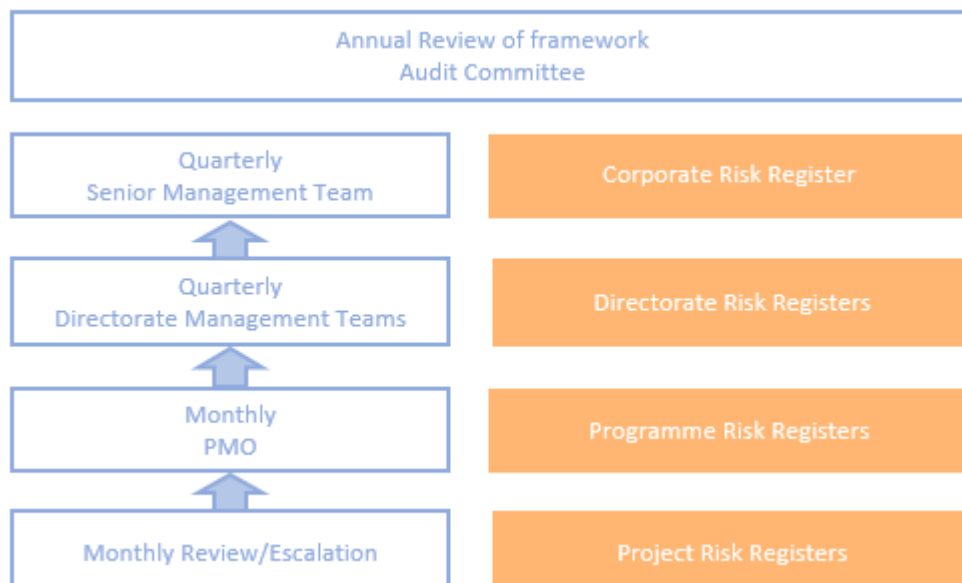
- 1 To provide an update on the operation of the Combined Authority's Risk Management Framework.
- 2 Present the current Corporate Risk Register (CRR)

Recommendation

- Audit Committee are asked to endorse the priorities for further developing the risk management framework following its approval in April 2022.
- To note the CRR.

Background / Issues for Consideration

- 3 The risk management framework is presented annually for approval at audit committee and is monitored and developed during the year to ensure it continues to operate effectively.
- 4 Arrangements for regular review and escalation of risk are as follows:



- 5 Reports to SMT require comments on risks and issues before decisions are taken. Individual projects and programmes therefore have management review of risks as appropriate outside the regular timetable.
- 6 Development to the risk management framework is proposed to request Audit Committee set the risk appetite for the executive to operate within. A more detailed paper for discussion will come to a future meeting.
- 7 Further development of the risk framework 2023/24 for approval by audit committee is also considering:
 - a. Areas where separate risk collation/registers add value (eg. Fraud, Climate)
 - b. Reporting and resourcing arrangements refreshed to account for delivery focused structures
 - c. Audit Committee receipt of selected risk registers at quarterly intervals
 - Corporate Risk Register
 - Fraud
 - Climate
 - Infrastructure
 - CRSTS
 - BSIP
 - Business & Skills
 - Strategy & Innovation
- 8 Comments are sought from Audit committee on proposed priorities and additional developments.

Corporate Risk Register

- 9 The Corporate Risk Register was reviewed in September to update in the context of UK economic and political uncertainty. Mitigations have been kept up to date with a further review in November. (Appendix A)
- 10 The most notable changes are summarised as follows:
 - Inflation risk has become more serious. Key additional mitigation has been development of the inflation report to committee.
 - Resourcing and scheduling of major programmes now in the delivery phase (CRSTS and BSIP).
 - Audit VfM Report and potential impact on government view of the combined authority and future funding.
 - Political decision-making impacting delivery, in the light of May elections and relationship dynamics noted in the audit report.
 - Unitary Authority budget pressures impacting project delivery.
 - Pandemic specific risk closed.

Consultation

- 11 The risk framework is updated annually and approved by Audit Committee. The Corporate Risk Register is produced in conjunction with risk and mitigation owners and approved by the senior management team.

Other Options Considered

- 12 None, Audit Committee have asked to be kept informed.

Risk Management/Assessment

- 13 Without a formal risk management framework and processes we will be unable to anticipate and take preventative action to avoid risk and will instead incur time and additional cost in managing the consequences of unplanned events.

- 14 We have provided a copy of our Corporate Risk Register as an appendix to this report.

Public Sector Equality Duties

- 15 There are no equality implications arising directly from this report.

Finance Implications, including economic impact assessment where appropriate:

- 16 The monitoring and evaluation framework provides assurance that limited resources will be utilised to their best effect to ensure activity is appropriate and proportionate.

Advice given by: Richard Ennis, Interim Director of Investment and Corporate Services

Legal Implications:

- 17 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”. The risk management framework meets this requirement and is an essential part of good governance for the Combined Authority.

Advice given by: Stephen Gerrard, Interim Director of Legal and Democratic Services

Climate Change Implications

- 18 There are no specific climate implications arising directly from this report.

Land/property Implications

- 19 n/a

Human Resources Implications:

- 20 None arising from this report. If specific workforce risks are identified 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:

Appendix A – West of England Combined Authority Corporate Risk Register

Background papers: n/a

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 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