



Audit and Governance Committee

20th June 2024

Title:	Corporate Risk Register
Report of:	Janice Gotts, Executive Director, Resources
Lead Member:	Cllr Edna Murphy
Public Report:	Yes
Voting Arrangements:	To note

Recommendations:

A	To note the May 2024 Corporate Risk Report including the Register, Dashboard and Heat Map
B	To note the update on progress of the Risk Software implementation
C	To note the proposed risk deep dives for upcoming meetings

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

1. Purpose

1.1	To note the May 2024 Corporate Risk Report including the Register, Dashboard and Heat Map in Appendix 1-3.
1.2	To note the update on progress of the Risk Software implementation and embedding at a service level as per Internal Audit and Improvement Plan actions.
1.3	To review the proposed risk deep dives for upcoming meetings.

2. Proposal

2.1 The May 2024 Corporate Risk Register shows the following for the 15 residual risks (risks that have mitigations in place):

- 1 very high risk
- 12 medium risks
- 2 low risks

Of the 15 residual risks listed, 4 relate specifically to the improvement Programme and are likely to change as it is nearing completion of the programme.

In the May 2024 Corporate Risk Register in Appendix 1, there is one risk that exceeds the Combined Authority Risk Appetite, Future Funding. As 2.2 illustrates we will provide a deep dive into this risk at the July meeting.

Discussions with risk owners take place each month with risks updated with the latest information. The Corporate Risk Register is reviewed monthly at Corporate Management Team.

A Heat Map in Appendix 3 has also been provided showing the risk movements from the original inherent score with no mitigation in place, to the residual risk score where mitigations have been put in place.

Overall, there has been one substantial change since March 2024, information on this is below.

Cyber Security – from High to Medium Risk

It was reported at the 08 March A&G meeting that the Cyber Security Corporate Risk is an Amber High Risk and is above Risk Appetite. Additionally, at the Committee meeting it was questioned that given the Cyber Security inherent risk had increased, how confident were we that the residual does not increase with it and was there a need to change actions and controls.

Detail was also requested at CPCA Board on how our resilience matches other public bodies and local authorities. A briefing note for Board members was circulated in May with detail on the risk and measures in place regarding this risk and is summarised here.

CPCA are annually assessed against both the Cyber Essentials and Cyber Essentials Plus standards, as well as CPCA IT suppliers SOCITM holding those accreditations too. Also, SOCITM are accredited against ISO27001, the international standard for information security.

Since the meeting, and as of end of May 2024, the Cyber Security risk has been reviewed by SOCITM, and enhanced controls have been put in place. It is the view of SOCITM that CPCA now have a sensible range of controls, and good practice in place, that are above average for a public authority.

As a result of this the score has reduced from an Amber High Risk to a Yellow Medium Risk, and it is now within Risk Appetite. The impact of the risk has reduced from Major to Moderate because of the controls now in place, particularly around data access, are such that if there was a cyber incident the impact would be lessened.

For more information on Cyber Security risk and controls see Appendix 1

2.2 **Corporate Risk Register – Deep Dives**

List of proposed risk deep dives for upcoming A&G meetings for 2024-25:

Risk	A&G Committee date	Lead officer
Improvement Plan related risks:	18 July 2024	
Culture		Judith Barker
Future Funding		Janice Gotts
Future Viability of CA		Rob Bridge
Governance VfM		Edwina Adefehinti
Cyber Security	September 2024	Janice Gotts
Financial – Underspend / Inflation	November 2024	Janice Gotts

	Transforming Cities Fund	January 2025	Judith Barker
2.3	<p>Implementation of Risk Register software – 4Risk</p> <p>Risk software was procured in 2023. (4Risk supplied by RSM). The embedding of the new risk recording system is ongoing.</p> <p>The investment in corporate, web-based risk software has allowed a central and auditable platform to register risks associated across the work programme.</p> <p>Corporate risks have been reported via the new process recently but now service level risk registers, (Transport, Skills, Business and Net Zero Hub), have also been added to 4Risk.</p> <p>This followed one-to-one training by RSM with all service areas throughout April/May, and wider training to all risk owners and leads on 14 June 2024.</p> <p>As such, all risk register reporting will now take place via the new platform, allowing programme boards to access a more comprehensive risk information, such as heat maps as is already the case at both the Audit and Governance Committee and Combined Authority Board meetings.</p> <p>Additional training sessions are to be undertaken in July with all risk owners and risk leads to cement the embedding of risk management process especially given recent recruitment to CMT and SLT posts.</p>		

3. Background

3.1	<p>The Combined Authority Risk Management Framework and Procedure was approved at 08 September Audit & Governance Committee, and 20 September Combined Authority Board.</p> <p>Work continues in embedding the Framework and Procedure, including through training and software.</p>
3.2	<p>The Framework states that the Programme Management Office are responsible for ensuring that the Corporate Risk Register is maintained, updated and that risks are regularly reviewed with the Executive Director of Resources & Performance, Corporate Management Team, Audit & Governance and the Risk Owners.</p> <p>The Audit & Governance Committee is responsible for overseeing the Authority's Risk Management Framework and Procedures and the Corporate Risk Register, to ensure that risk management is being done to the appropriate standard and in line with this framework.</p> <p>This item is key to ensuring this is completed.</p>

4. Appendices

4.1	<p>Appendix 1. Corporate Risk register</p> <p>Appendix 2. Risk Dashboard</p> <p>Appendix 3. Residual movement heatmap</p>
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5. Implications

Financial Implications

5.1 There are no direct financial implications to this report.

Legal Implications

5.2	<p>The Cities and Devolution Act 2016 established the requirement for Combined Authorities to appoint an audit committee whose functions include reviewing and assessing the authority's risk management, internal control and corporate governance arrangements.</p> <p>The Authority has a statutory responsibility under Part 2 – Internal Control of the Accounts and Audit Regulations (England) 2015 to have arrangements in place for the management of risk. It also forms part of the seven core principles within the best practice guidance, 'Delivering Corporate Governance in Local Government: Framework' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE)</p>
Public Health Implications	
5.3	None
Environmental & Climate Change Implications	
5.4	None
Other Significant Implications	
5.5	None
Background Papers	
5.6	None