

## Audit, Standards and Risk Committee

Wednesday, 22 March 2023

### Risk Management Monitoring Report

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<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Monitoring/Assurance
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan of Key Decisions?</b>	Not a Key Decision

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#### **Director Approving Submission of the Report:**

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#### **Executive Summary**

This report provides an update on the progress of embedding the Risk Management Framework and the Risk Management Dashboard, which includes:

- The corporate risks of the Mayoral Combined Authority (MCA).
- 'High' and 'Medium/High' risks at Directorate level (operational risk).
- Risks with a health and safety 'theme' with a score of 5 or over.

#### **What does this mean for businesses, people and places in South Yorkshire?**

Effective risk management is a key principle of good governance and decision making, which enables the MCA to pursue its ambitions and objectives in the most effective and efficient way, bringing about better outcomes for residents and businesses in South Yorkshire.

#### **Recommendations**

ASRC members are asked to consider the Risk Management Dashboard and note the progress in embedding risk management processes.

#### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

None

## 1. Background

- 1.1 Following the recommendation of the Audit, Standards and Risk Committee, the MCA approved the Risk Management Framework at their meeting in July. In October, a post-implementation self-assessment commenced. This review took into account the recommendations of the internal audit report on risk management previously considered by the Committee in July.

The findings of the assessment culminated in a report to the Executive Leadership Board in December and an amended Framework progressing to the Committee in January for consideration.

## 2. Embedding the Risk Management Framework – Progress since January

- 2.1 Since January two key changes have been implemented to further embed risk management practice. The landing page in the IT system has been reconfigured to give users a better oversight of all recorded risks. This is shown through a stacked bar chart for all the Corporate risks by owner, and also a stacked bar chart of operational risks for each Directorate. Each user can see all risks but can only edit those that they either own or have been assigned. The dashboard also includes direct links, bespoke to the user, to their specific risks and their actions.

Users of the system will now be sent, on the 1st of the month, rather than weekly, a reminder to review their risks. The reminder includes a link directly to the user's risks and a link directly to the user's actions. The reminder also sets out the hard deadlines for quarterly reviews and system shutdown dates where the system will be frozen in order to generate reports for the Executive Leadership Board and the Audit, Standards and Risk Committee. These changes have been communicated to users via an e-bulletin.

### Next steps

Governance Team will continue to enhance the dashboard with the inclusion of comparative data from period to period including the development of the heat map to show risk score movement over time (rather than just from inherent to residual score) and in response to any feedback from the Committee.

A Risk Management Support Plan will be developed for the next 12 months to ensure that these and other activities can be delivered within the allocated resource. The Plan will include the following activity:

- Quarterly reporting cycle (production of dashboard).
- Dashboard development.
- Development of training resources to support users of the IT system.
- System maintenance.

## 3. Risk Dashboard

- 3.1 The Risk Dashboard provided at appendix A provides the following information:

### Corporate Risks

**Corporate risks by 'strategic group'** - a bar chart that demonstrates the volume of risks and respective ratings by strategic 'group' (the categories established by the Framework for reporting purposes).

**Corporate risks by ‘risk score’** – a bar chart that demonstrates the spread of corporate risks by current risk score.

**Corporate risks by ‘Directorate’** – a bar chart that demonstrates the risks and where they reside within the directorates of the MCA.

**Heat Map** - The heat map provides a visual representation of the position of the risks within the probability and impact scoring grid and indicates the change in score from inherent to residual following the application of controls.

**Corporate Risk Register** – provides the risk description, inherent risk score, controls, residual risk score and mitigating actions. Lists risks from high to low.

### Summary

The table below summarises corporate risks with residual scores of ‘medium/high’ and ‘high’. There are no new Corporate Risks since the last report, none have been closed or have changed score. More detail can be found within the Risk Dashboard Report Risk Register.

Matrix Id	Reference	Title	Inherent	Residual
1	COR0007	Net Zero, Sustainability/ Climate Change	High	High
2	COR0009	Bus: Recovery Funding	High	High
3	COR0015	Tram Services	High	High
4	COR0022	Doncaster Sheffield Airport Closure.	High	High
5	COR0021	Heightened Cyber Security Threat	High	Medium/High
6	COR0017	Transport	High	Medium/High

## 3.2 Directorate/Team Risks

**Volume of risks by risk score per Directorate** - a bar chart that illustrates the volume of risks by residual risk score/

**Volume of risks per team within each Directorate** - a bar chart that illustrates the volume of risks by residual risk score distributed across teams within a Directorate.

**Directorate/Team level Risks Register** - provides the risk description, inherent risk score, controls, residual risk score and mitigating actions for all risks scoring medium-high and high (amber and red).

### Summary

There are currently 20 risks at directorate level with a residual risk score of ‘medium/high’ and ‘high’. There are no ‘medium/high’ and ‘high’ scoring risks within the Strategy and Development Directorate. More detail can be found within the Risk Dashboard Report Risk Register.

## 3.3 Health & Safety Risks

**Risk Register of risks with a health and safety ‘theme’** – provides the risk description, inherent risk score, controls, residual risk score and mitigating actions for all risks with a score of 5 or above. There is a low appetite for any risks which have a health and safety element to them.

## **Summary**

There are 20 risks scoring 5 or over, two of which have a residual score of 'medium/high' the remaining 18 have a residual score of 'medium'. More detail can be found within the Risk Dashboard Report Risk Register.

### **4. Consultation on Proposal**

4.1 Not applicable

### **5. Timetable and Accountability for Implementing this Decision**

5.1 Not applicable

### **6. Financial and Procurement Implications and Advice**

6.1 There are no specific financial risk implications however, failure to effectively manage risk may have significant financial and reputational impact and for the MCA.

### **7. Legal Implications and Advice**

7.1 There are no legal implications as a result of this report.

### **8. Human Resources Implications and Advice**

8.1 There are no human resources implications as a result of this report.

### **9. Equality and Diversity Implications and Advice**

9.1 There are no equality and diversity implications as a result of this report.

### **10. Climate Change Implications and Advice**

10.1 There are no climate change implications as a result of this report.

### **11. Information and Communication Technology Implications and Advice**

11.1 There are no ICT implications as a result of this report other than the ongoing requirement to add IT users to the user group for the risk management IT system.

### **12. Communications and Marketing Implications and Advice**

12.1 There are no communications or marketing implications as result of this report.

## **List of Appendices Included:**

A Risk Management Dashboard

## **Background Papers**

None