

3rd June 2019

Risk Policy & Process

Purpose of Report

This report presents a reviewed Risk Management Policy and Risk Management Process.

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme.

Recommendations

The Mayoral Combined Authority is asked to approve the revised Risk Policy (Appendix A) and the Risk Management Process (Appendix B).

1. Introduction

- 1.1** Part 6F of the Constitution specifies that the Mayoral Combined Authority will put in place a Risk Management Policy. The Policy, originally approved in 2017, has been reviewed as part of the Annual Governance Review process, and the Audit and Standards Committee, who are charged with overseeing the effectiveness of the Authority's risk management arrangements, endorsed the revised policy and process at their meeting on the 18th April.
- 1.2** SCR's strategic risk management approach focusses on the effectiveness of, and compliance with, the components of SCR's governance and control framework. This approach was endorsed by the Audit Committee in January 2017. Since then, the Committee has played a key role in ensuring this approach has been embedded and, in monitoring its effectiveness.

2. Proposal and justification

- 2.1** This report presents the revised Risk Policy and Process for approval by the Mayoral Combined Authority. No substantive changes have been made to the Risk Policy.

Key areas of change to the Risk Process include:

- Updated introduction/context
- Clarification regarding recording of risk at project/scheme (section 4.2)
- Clarification of the escalation process of project/scheme risks to ensure the process better reflects current practice (section 4.6)
- Removal of reference to BMBC (section 7)
- Refreshed development plan (section 8)

2.2 Internal Audit have also reviewed the policy and process and concluded that current arrangements are fit for purpose and effective.

2.3 Next steps

The policy and process will be reviewed on an annual basis however, further to the development and approval of a refreshed Strategic Economic Plan and a Local Industrial Strategy, it may be that the policy and process will require a mid-year review. In addition, as the new Thematic Boards become established reporting and escalation routes may also need to be revisited.

Further to approval by the Mayoral Combined Authority, the Risk Policy will be published on the Sheffield City Region website.

3. Consideration of alternative approaches

3.1 It is recognised that the approach to risk management will continue to evolve and the SCR Executive team will act on this in liaison with the Audit and Standards Committee.

4. Implications

4.1 Financial

As SCR risk management processes evolve there may be resourcing implications and associated costs for the MCA group. This will be considered as appropriate with Statutory Officers, and all viable options will be costed in conjunction with the MCA Senior Finance Manager.

4.2 Legal

There are no legal implications relating to the development and embedding of SCR's risk management processes. However, risk management is a fundamental requirement of good governance, therefore Monitoring Officer and Internal Audit oversight is a continuous process.

4.3 Risk Management

Risk management is vitally important to the successful delivery of SCR's objectives. Therefore a defined risk management process is a key component of the governance and control framework that underpins this.

4.4 Equality, Diversity and Social Inclusion

There are no equality, diversity and social inclusion issues relating to the development and embedding of SCR's risk management processes.

5. Communications

5.1 SCR's risk management processes are internal and do not require external communications. However, the Policy will be publicly available, as will any papers on risk management presented to the MCA and the Audit and Standards Committee. Internal communication will be undertaken appropriately.

Should a risk materialise that has the impact of adverse public or Government reaction communication will be managed appropriately.

6. Appendices/Annexes

- 6.1
- Appendix A – Risk Management Policy
 - Appendix B – Risk Management Process

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: n/a