

GMCA Audit Committee

Date: 20 November 2020

Subject: Risk Management Framework

Report of: Head of Audit and Assurance, GMCA

PURPOSE OF REPORT

Within the Audit Committee Terms of Reference, one of the roles of the Audit Committee is to “monitor the effective development and operation of risk management in the Authority”. The purpose of this progress report is to share with members the draft GMCA Risk Management Framework and associated implementation plan.

RECOMMENDATIONS:

Audit Committee is requested to consider and comment on the draft risk management framework.

CONTACT OFFICERS:

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Risk Management – Appendix A

Legal Considerations – see paragraph

Financial Consequences – Revenue – see paragraph 4

Financial Consequences – Capital – see paragraph

Number of attachments included in the report: None

BACKGROUND PAPERS:

- Internal Audit Plan 2020/21 – June 2020

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

1. Introduction

Internal Audit currently has responsibility, on behalf of the Treasurer, for ensuring that appropriate risk management arrangements are in place within GMCA. There is an established Corporate Risk Register in place that is regularly reviewed and updated by the Risk and Governance Group. Risk Management arrangements were also put in place during the Covid-19 pandemic via a Covid Risk Register.

However, within GMCA there hasn't to date been an overarching risk management framework for GMCA that standardises the way in which we expect risk to be managed across the organisation. The Head of Audit and Assurance has developed a framework to do this and alongside it a plan to roll out and embed the framework across GMCA.

2. Risk Management Framework

The risk management framework sets out how at GMCA we should be managing risks. It explains how risk exists at all levels of GMCA and sets out the responsibilities of all employees for managing risk. This Framework is shown below.

The framework has been submitted to and reviewed by SLT who are supportive of it and keen to progress its implementation.

Audit Committee have a role in the oversight of risk management arrangements. It is therefore requested that Members review and comment on the draft framework prior to its implementation.

3. Implementation

Within the Risk Management Framework, a proposed implementation plan has been developed. This is shown in Appendix C. The key stages of this are:

- Baselineing – assess the maturity of risk management arrangements across GMCA currently through a facilitated self-assessment using Internal Audit (November/December 2020).
- Awareness and communications – launch the risk framework through comms and training (Commencing January 2021)
- Embedding – through facilitated risk workshops, develop the “lower level” directorate, operational and project risk registers (Commencing December 2020)

4. Resourcing

The Head of Audit and Assurance has agreed with TfGM that the TfGM Risk Manager is able to work on a shared basis to assist GMCA in implementing the framework. This individual has extensive experience in running risk workshops and developing and managing risk registers at all levels across the organisation. The anticipated cost of this arrangement is approximately £30k. There is budget for £60k within the Audit budget for a risk management post. This arrangement therefore represents a proposed saving on anticipated staff costs for 2020/21. In the longer term, once the framework has been implemented, ongoing resource costs will be reviewed alongside other risk roles, for example within GMFRS in order to ensure an efficient use of resources in this area.

RISK MANAGEMENT POLICY AND FRAMEWORK DRAFT

Date: November 2020

Document Control

Title	Greater Manchester Combined Authority – Risk Management Policy and Framework
Document Type	Policy
Author	Sarah Horseman, GMCA Head Audit and Assurance
Owner	GMCA Head of Audit and Assurance
Management Approval	CEMT
Committee Approval	Audit Committee
Protective marking	None
Date of Approval	November 2020
Review due	Two years from date of approval or earlier if there are relevant legislative or organisational changes which impact on this policy.

1. Policy Statement

Risk Management will be an integral part of day to day operations and management at all levels of the organisation. A robust risk management process will assist in safeguarding GMCA assets and reputation and deliver our strategic objectives and ambitions.

2. Statement of Commitment

Greater Manchester Combined Authority (GMCA) recognises that risk management has an important part to play in achieving the ambitions set out within the Greater Manchester Strategy, “Our People, Our Place”. GMCA is committed to ensuring that it identifies the risks and opportunities that may impact its ability to support and drive forward the strategy.

A Risk and Governance Group exists within GMCA to identify, assess and monitor Strategic Risks within GMCA. This “Top Down” approach has improved risk intelligence and strengthened management of these risks.

This risk management framework, consisting of the risk management policy and supporting tools and templates sets out how risk management capability will be further embedded within Directorates, across GMCA to ensure that operational and strategic risks and opportunities are identified, assessed and managed.

The framework encourages an informed review of risk at regular team and Board levels. Training and learning sessions will help raise awareness and through our Risk Champions we will share good practice in managing those risks requiring cross-organisational collaboration.

The Leadership Team remain committed to further embedding risk management across the organisation and in our relationships with our stakeholders and supply chains. We will ensure everyone understands that risk management is a responsibility for all staff and that it is a key component in the decision making at GMCA and senior management levels.

We will continue to build a culture where we learn from the past, monitor for early warnings and plan for risk in the best interests of the public, GMCA and other stakeholders. This approach will ensure that risk management policy and strategy continues to play an important role in making GMCA an efficient and effective organisation.

Eamonn Boylan
Chief Executive Officer
GMCA

3. Definitions

Risk management is the practice of minimising threats, maximising opportunities and managing uncertainty in the most effective manner. This will support achievement of the strategies, objectives and activities of the organisation.

Risk: A risk is any future event, or set of circumstances that, should it occur, will have a positive (opportunity) or adverse effect (threat) on achieving GMCA's objectives.

Issue: An issue is an event that has already taken place that has had a positive (opportunity) or adverse (threat) on achieving GMCA's objectives. Like risks, issues may require management to mitigate the impact to the achievement of objectives.

Risk appetite: The risk an organisation is willing to take in the pursuit of its strategy.

Likelihood: Likelihood is the chance that something might happen. Likelihood can be defined, determined, or measured objectively or subjectively and can be expressed either qualitatively or quantitatively (using mathematics).

Impact: The impact to GMCA if a risk occurs. There can be several different types of impact, for example financial, reputational, operational, strategic or compliance.

Risk score: is a calculation of the cumulative effect of the impact and likelihood of the risk occurring.

Inherent risk: The threat a risk poses *before* considering any mitigating activities [controls] in place to address it.

Residual risk: The threat a risk poses *after* considering the current mitigating activities [controls] in place to address it.

Risk treatment: Risk treatment is the response that an organisation takes to mitigate the risks it identifies. Typical treatment options include avoiding the risk, reducing the risk, sharing or transferring the risk or accepting/tolerating the risk.

Risk owner: A risk owner is a person or entity that has been given the authority to manage a risk and is accountable for doing so.

4. Risk Management Framework

GMCA's Risk Management Framework encompasses:

- The principles on which risk management operates within GMCA
- The risk appetite of the organisation
- The framework (or hierarchy) of categories of risk
- Risk management process (identify and assess, treat, monitor and report)
- Risk management tools, templates and training

The framework must be supported by a risk-aware culture within the organisation with all staff taking responsibility for the management of risk.

5. Principles

In managing risk it is important that we use the framework to support a culture that focuses on identifying and managing risks. Our framework and processes must support real substantive actions and awareness if they are to be useful and effective.

Our risk management framework is based on the following key principles, that risk management should be PACED:

- **Proportionate** to the size of organisation and nature of risks
- **Aligned** to the objectives of the organisation and the needs of the stakeholders
- **Comprehensive** - covering all types of risk
- **Embedded** in the ongoing processes for strategic and operational decision making
- **Dynamic** - able to change as the organisation and its environment changes

6. Risk Appetite

Risk appetite is the level of risk an organisation is willing to tolerate in pursuing its strategic objectives. Our aim is to consider options in order to respond to foreseeable risks appropriately and make informed decisions that are most likely to result in successful delivery of strategic objectives, whilst also providing value for money.

Decisions made by GMCA to proceed with the acceptance of risk are subject to ensuring that all potential benefits and risks relevant for informed decision taking are fully understood. Acceptance of risk will be carefully scrutinised and the risk profile and appetite regularly reviewed to ensure it is appropriate.

Areas where a higher level of risk is taken will be considered on their own merits.

GMCA recognises that the appetite for risk may vary in respect of different activities, as illustrated by the statements below:-

Compliance and Regulation

GMCA places high importance on compliance, with statute, regulation, professional and ethical standards and prevention of bribery and fraud. In these matters, GMCA maintains a very risk averse approach as compromising these obligations would not be acceptable.

Financial

The following minimum criteria apply to meet these objectives:

- setting and achieving a balanced overall revenue budget;
- ensuring delivery of projects and programmes in accordance with approved budgets, containing appropriate risk and contingency allowances.

Delivery

GMCA accepts a moderate level of risk arising from the nature of GMCA's operations and service delivery, to deliver an appropriate level of customer service and value for money.

Change, Innovation and Commercial Management

Change will be needed to successfully achieve the Greater Manchester Strategy. Change Projects will provide GMCA with opportunities to achieve the outcomes defined within the strategy and deliver long term benefits for Greater Manchester. GMCA recognises that this approach may require a shift to a higher risk appetite level in seeking to exploit and seize these opportunities and maximise significant potential benefits.

Information Management

GMCA is committed to ensuring that its information is accurate and properly managed in accordance with legislative and business requirements. GMCA seeks to avoid any compromise of the processes governing the holding and use of information, its management and publication. Misuse of its information is not acceptable.

Information Technology

GMCA recognises the importance of the availability and integrity of business critical systems. The prolonged outage of core systems and threats to its systems / network arising from malicious cyber-attacks are unacceptable.

Reputation

It is important that GMCA continues to preserve a high reputation with key stakeholders and the public. Therefore, it has set a low appetite for risk in the conduct of any of its activities that puts its reputation in jeopardy through sustained adverse publicity. We must maintain a positive balance in external media coverage and messages.

7. Risk Framework – Categories of Risk

Our approach to risk management is designed to ensure risk is effectively managed across all levels of the organisation and that risks are escalated where necessary.

The following illustrates the categories of risk within GMCA.



Fig 1. GMCA Risk Framework

7.1. Corporate Risks

- These are the “top” risks faced by GMCA. Should they occur they would face a significant risk to the achievement of strategic objectives, statutory obligations and commitments.
- They can arise from any area within the organisation but due to their severity be escalated to this level to ensure appropriate oversight and management.
- Responsibility for oversight of these risks lies with **CEMT**.
- These risks will also be reported to, and monitored by the **GMCA Audit Committee** and to **GMCA** as appropriate.

7.2. Organisational Risks

- These are risks that affect the whole of GMCA, either as a result of being cross-cutting across the organisation or arising from large-scale strategic programmes that impact the whole of the organisation. Examples include: workforce risks, information governance risks, strategic programme risks.
- Responsibility oversight of these risks lies **collectively with SLT**.

7.3. Directorate Risks

- These risks are particular to the objectives of each Directorate within GMCA (excluding GMFRS). They would impact the achievement of Directorate objectives. They are a culmination of the most significant operational and project risks within the directorate but also could be external or strategic risks that arise that are specific to that directorate.
- Examples could be: changes to national policy around the environment which may impact the Environment Directorate or changes in legislation (eg Accessibility) that could impact Comms and Engagement.
- Responsibility for oversight of these risks lies with the **SLT members** responsible for each directorate.

7.4. GMFRS Risks

- The operational risks faced by GMFRS require specific and significant risk management. GMFRS has an established risk management process and GMFRS maintains a risk register at service level.
- Oversight of this risk register is undertaken by the **GMFRS Corporate Leadership Team (CLT)**.
- The GMCA risk management framework and the GMFRS Risk Management are aligned and there is a mechanism to escalate GMFRS risks to the GMCA strategic and corporate risk registers.

7.5. GMCA/GMFRS Operational Risks

- These risks arise from the day to day operations of the functions and services within GMCA and GMFRS.
- **Everyone in the organisation is responsible for managing risks within their areas of responsibility.**
- Oversight should be undertaken by **Heads of Function**.

7.6. GMCA/GMFRS Project Risks

- These risks arise from change initiatives within the organisation.
- They are those risks identified within project risk registers and would be managed at a **project level**.

8. Risk Management Process

GMCA have put in place the following risk management model to describe the process for managing risk. This is based on HM Treasury's Orange Book – Management of Risk – Principles and Concepts.

The four key activities within the risk management process are:

- Identification and assessment of risk
- Risk treatment
- Monitoring of risk
- Reporting

The model below illustrates how risk management is not linear, but is a continuous process that needs to take into consideration internal and external factors.

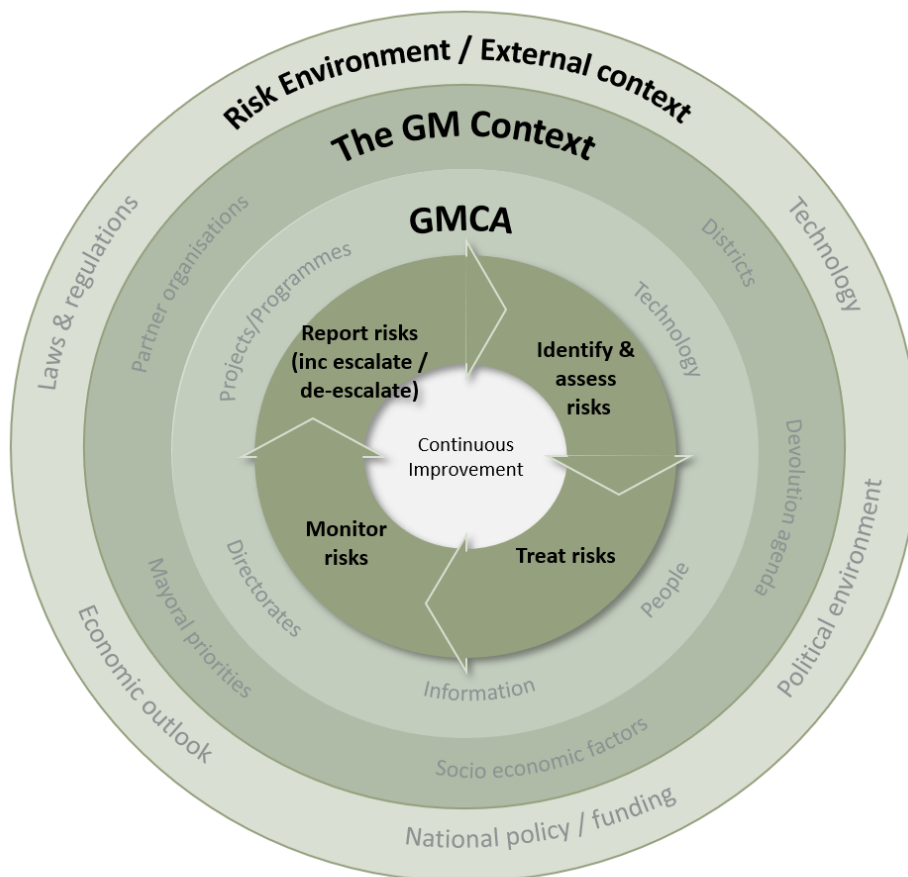


Fig 2. Risk Management Process

8.1. Identify and Assess risks

Risk identification is about collating information about relevant **threats** and **opportunities** – there are sometimes “upsides” to risks which are classed as opportunities.

It's important to also distinguish between risks and **issues** – risks are things that may or may not happen in the future. Issues are things that have already arisen.

Risks are assessed using a standard scoring matrix. This measures the **impact** (what is the consequence of the risk occurring to GMCA) and the **likelihood** (how likely is the risk to occur) of the risk if nothing were to be done to manage the risk. This is called the **inherent risk score**.

When assessing the impact of a risk, the impact on people, finances, reputation, delivery and health and safety should be taken into consideration. The scoring mechanism shown in Appendix A, provides guidance on how to assess the impact and likelihood of risks.

8.2. Treat risks

Left unmanaged, risks may adversely impact GMCA's achievement of its objectives. It is therefore important to decide how risks should be managed. There are several ways to manage risk, these are:

- **Treat** – most risks will belong to this category, this is where actions are taken to reduce either the likelihood of the risk occurring, or if it does occur the impact of the risk when it does. It may not be possible to mitigate the risk completely but actions should be put in place to reduce it to an acceptable level – ie within the risk appetite
- **Tolerate** – it may not be possible to easily manage some risks, a good example is those risks that arise because of external factors, for example risks relating to the wider economic environment or socioeconomic risks. The response to these risks may be to tolerate them but it is important to monitor them such that they can be reconsidered if they begin to escalate.
- **Transfer** – For some risks the best option may be to transfer them to other parties. This could be through conventional insurance arrangements or by transferring to another third party via contractual arrangements
- **Terminate** – this would remove the risk completely, usually only achieved by changing the way in which things are done so it is not identified as a risk in the first instance
- **Take the opportunity** – in the case of opportunities, the fifth treatment option is to take the opportunity identified.

8.3. Monitor risks

It is important to regularly assess the current status of risks. The inherent risk score identified during the “Identify and Assess risks” phase may have been reduced by the actions taken to treat the risk. It is therefore important to understand at any point in time what the **residual risk score** of each risk is.

Using the same scoring mechanism, the residual risk score is calculated by re-assessing the risk, taking into consideration the actions taken and controls in place to manage it. Have those actions reduced (in the case of threats) the impact and/or likelihood of the risk occurring?

The residual risk score should be reassessed regularly on a periodic basis but also very importantly when one or more of the internal or external factors shown in the outer rings of the process diagram (Risk environment/external context, GM context, GMCA context) changes.

8.4. Risk Registers

A template for risk registers is available for use by all functions, projects and teams. The template provides a mechanism for recording risks at the level of detail defined in this framework. An overview of the template is provided in Appendix B.

8.5. Report risks (including escalation and de-escalation)

It is important that risks are visible and understood across the organisation. Appropriate reporting mechanisms need to be in place to allow those responsible for the achievement objectives to understand the risk environment that we are operating in. In Section 7 above, the groups responsible for the oversight of each type of risk were explained, it is therefore important that those groups receive regular reports on the risks they need to have oversight of.

It may be necessary to move risks up or down the risk hierarchy depending on their score, or their relative movement over a period of time. Those escalating (ie their score is increasing) may need to be brought to the attention of the level above where they are currently managed. Conversely those decreasing may be able to be monitored at a level lower than they are currently.

A risk may need to be escalated if it:

- Exceeds an agreed threshold
- Cannot be controlled / managed at the current organisational level
- Remains high even after mitigations are put in place
- Are cross-cutting in nature and affect multiple parts of the organisation

9. Responsibilities for Risk Management

Everyone is responsible for managing risks. It is incumbent on all GMCA staff and contractors to:

- Familiarise themselves with the risk management framework
- Understand the risk management process
- Maintain an awareness of risks within the area they work and talk to their team and managers about risks they see
- Accept and implement actions put in place to mitigate risks
- Contribute to the risk management process by participating in relevant training, workshops and discussions.

In addition, there are specific, additional responsibilities as follows:

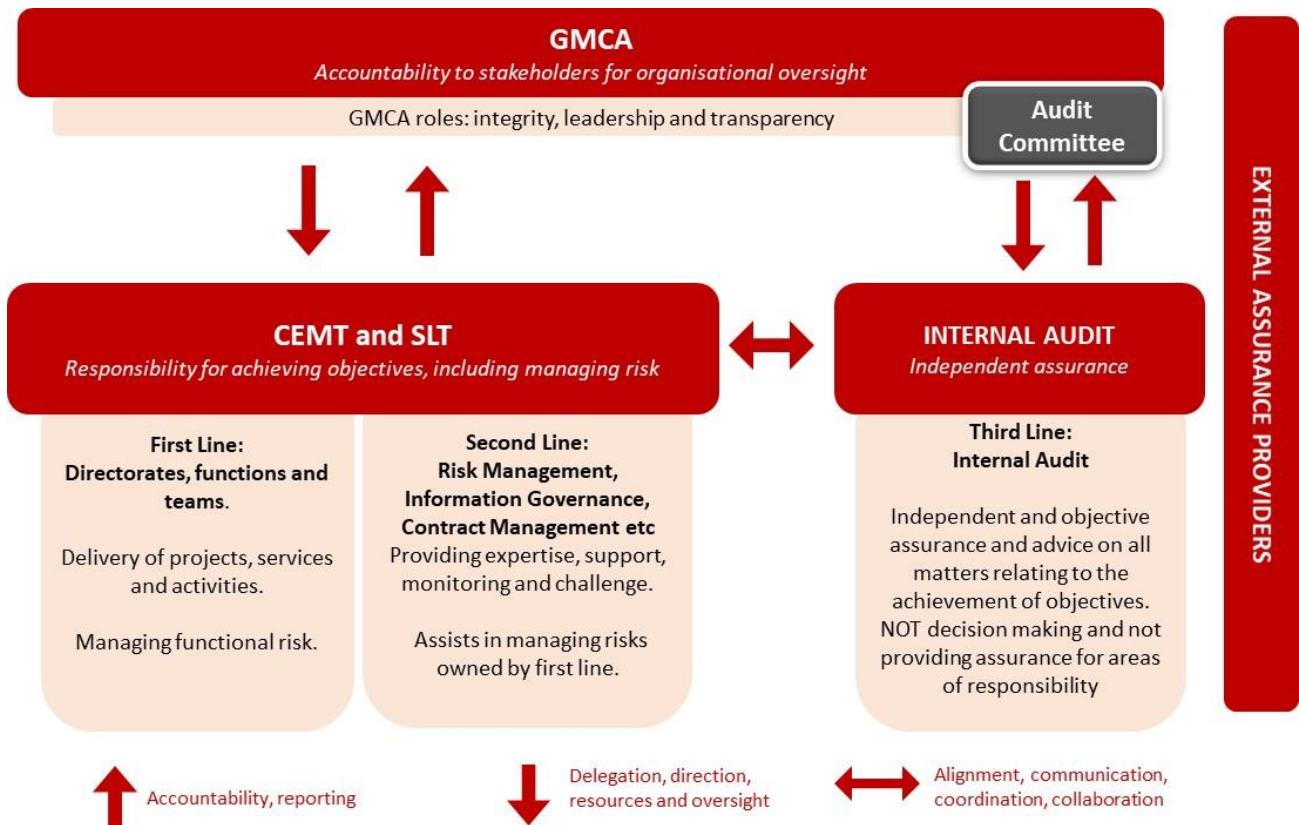
Role	Responsibility
Chief Executive	<ul style="list-style-type: none"> • Provide the strategic leadership that endorses GMCA’s risk management framework • Ensure that risk management is closely integrated with the business plan, audit plan and financial and operational strategies • Drive forward the identification and review of key risks • Model the principles and behaviours of good risk management
GMCA Audit Committee	<p>As per their Terms of Reference, the Audit Committee has responsibility for:</p> <ul style="list-style-type: none"> • monitoring GMCA’s risk management arrangements including review of the risk register and progress of mitigating actions • considering reports on the effectiveness of internal controls and monitoring the implementation of agreed actions • reporting the Committee’s findings, conclusions and recommendations to the GMCA and the Mayor, as appropriate, on the effectiveness of governance, risk management and internal controls
Greater Manchester Combined Authority	<p>The Audit Committee has responsibility for reporting their findings in relation to the effectiveness of governance, risk management and internal control arrangements to GMCA. The Combined Authority has access to the Corporate Risk Register at any point in time.</p>
CEMT	<ul style="list-style-type: none"> • Ensure that the most significant risks are escalated to the Corporate Risk Register • Take ownership of the risks within the Corporate Risk Register • Drive the treatment and monitoring of corporate risks, ensuring appropriate mitigating actions are defined for those risks • Seek assurance that the mitigating actions have been implemented and re-assess the corporate risks periodically • Undertake “horizon scanning” to identify, communicate and record new or emerging risks within or outside of GMCA

Role	Responsibility
	<ul style="list-style-type: none"> • Ensure risks are considered within the decision making process • Model the principles and behaviours of good risk management
SLT	<p>Collectively SLT are responsible for</p> <ul style="list-style-type: none"> • Overall ownership and management of strategic and cross-cutting organisational risks. • Appropriate definition and implementation of mitigating actions that have the desired impact across the organisation • Regularly reviewing and refreshing the strategic risk register. • Being satisfied that risks are being appropriately escalated to the strategic and/or corporate risk register based on their breadth and or severity. <p>Individually SLT members are responsible for</p> <ul style="list-style-type: none"> • Ownership and management of the risks faced by their directorate • Advocating and role modelling an appropriate risk management culture and appropriate behaviours within their directorates • Escalation of any directorate risks that require oversight at a strategic or corporate level
GMFRS CLT	<p>GMFRS has its own risk management framework, policy and procedures. Please refer to that for details of specific roles and responsibilities by role. For the purposes of this integrated framework, CLT have responsibility for the management of risk within GMFRS and for the appropriate, proportionate and timely escalation of risks from GMFRS to the GMCA Strategic and/or Corporate Risk register.</p>
Heads of Functions / Managers	<ul style="list-style-type: none"> • Identification, management and ownership of the operational risks faced by their function/team • Demonstrating appropriate risk management behaviours in the proactive management of risks • Reflecting appropriate risk management responsibilities in the performance objectives of their team • Ensure that risks are regularly monitored and reassessed • Allocation of resources to undertake the actions identified to mitigate risks. • Continually monitor and assess the risk profile within the team as well as the adequacy and effectiveness of the mitigating actions • Discuss with their respective SLT member any risks that are increasing to such an extent they may need to be escalated to a directorate, strategic or corporate risk register level.
Programme SROs	<ul style="list-style-type: none"> • Review the risk management arrangements on their sponsored programmes and ensure the accuracy and completeness of risk information • Approve the risk management plan

Role	Responsibility
	<ul style="list-style-type: none"> • Ensure risk is given appropriate consideration at all phases of the programme • Escalate programme risks to the appropriate level (directorate, strategic or corporate) depending on the severity and trend of the risk
Project Managers	<ul style="list-style-type: none"> • Ensure every project has an appropriate (and proportionate) consideration of risk, including a project risk register • Act as a custodian of the risk register and keep it up to date • Ensure that project risks are regularly monitored and reassessed • Escalate as necessary any risks that meet the criteria that would require them to be monitored at a different level within the risk framework.
Treasurer	As per the GMCA Constitution, the Treasurer is responsible for preparing and promoting the risk management strategy and develop appropriate risk management controls.
Internal Audit	<p>On behalf of the Treasurer, The Head of Audit and Assurance is responsible for developing the risk management framework and assisting its implementation and ongoing operation.</p> <p>As per the Internal Audit Charter, Internal Audit has responsibility for:</p> <ul style="list-style-type: none"> • providing independent assurance to the Audit Committee on the effectiveness of the governance, risk management and internal control arrangements in place within GMCA and GM Fire and Rescue Service (GMFRS) • development of an annual Internal Audit Plan which is a risk-based plan prepared in conjunction with management that will take into consideration: corporate, strategic and key operational risks. <p>Given the role internal audit currently has in designing the framework, independence needs to be considered when providing assurance in line with the IA Charter. Whilst responsibility for the framework lies with the Head of Audit and Assurance it will be necessary to obtain external assurance over the effective operation of the framework.</p>

10. Assurance mechanisms

Assurance is a key part of ensuring risks are appropriately identified, measured, managed and monitored. GMCA uses the “Three Lines Model” of assurance which shows how all parts of the organisation work together to manage risks. Each “line” provides assurance that risks are appropriately managed.



11. Roll out and implementation

In order to adopt this standardised risk management framework a number of activities will need to be undertaken, not least the adoption of a collegiate risk culture within GMCA. The implementation plan in Appendix C seeks to raise awareness, roll out and embed the risk management framework across GMCA. This implementation plan will be monitored by the Internal Audit team and progress reported regularly to SLT, CEMT and the Audit Committee.

Appendix A – Risk Scoring matrix

IMPACT SCORING

It demonstrates that impact can take many forms, when scoring, if a risk impacts multiple categories (eg financial and reputational) use the highest rating relevant to that risk.

	1 (VERY LOW)	2 (LOW)	3 (MEDIUM)	4 (HIGH)	5 (VERY HIGH)
STRATEGIC	Negligible threat to achieving a Strategic Objective	Minor threat to achievement of a outcome within a Strategic Objective	Significant medium term threat to achieving one or more outcomes within a Strategic Objective	Major medium term threat to achieving multiple outcomes within a Strategic Objective	Critical long-term threat to achieving a Strategic Objective
OPERATIONAL	Negligible threat to BAU delivery of activities. Functions are able to operate with minimum disruption. GMFRS - Little disruption to normal service	Minor disruption to BAU activities eg Minor IS outage affecting non-critical systems. GMFRS - Minor disruption to delivery of service.	Minor disruption to critical systems or processes affecting BAU or significant disruption to isolated systems or services. GMFRS - Significant disruption to important services	Significant disruption to critical systems and activities impacting the whole organisation and the ability to undertake BAU activities. GMFRS - Major disruption to important services	Critical threat to activities across the organisation. GMFRS - Threat to delivery of statutory services.
PEOPLE	No impact on GMCA personnel	Minor impact on a small number of GMCA personnel	Short term (<2 months) impact on a group of people (eg function or grade) and how they work	Medium-long term (2-6 months) impact on large proportion of the organisation.	Major long term impact to a wide range of personnel and how they work.
REPUTATIONAL	Isolated local complaints e.g. noise complaints; unlikely to lead to a loss in customer patronage / affect scheme. No legal concerns.	Complaints by a local group: will reduce affection for GMCA in that locality. Minor legal concerns.	Serious poor local publicity curtails ability to operate effectively without active stakeholder engagement. OR Region-wide poor publicity from not meeting additional customer expectations (e.g. ticketing information accuracy); will reduce affection for TFGM network wide. OR Manageable legal concerns.	Region-wide poor publicity from not meeting minimum expectations (e.g. outcomes; service levles; delivery); will seriously reduce affection for GMCA gradually erode reputation OR Potential serious legal concerns.	Serious poor publicity and legal concerns: will affect public trust in GMCA . E.g. serious H&S incident or violation laws.

	1 (VERY LOW)	2 (LOW)	3 (MEDIUM)	4 (HIGH)	5 (VERY HIGH)
HEALTH AND SAFETY	Minor injuries; cuts and bruises (First Aid Case)	RIDDOR Reportable (Over Three Day Injury)	Serious Injury (Non-life changing). RIDDOR reportable	Major injury (life changing). RIDDOR reportable	Fatality RIDDOR reportable
PROJECT SCHEDULE	<2 weeks delay OR no impact on end date/ deadline.	2-4 weeks delay OR low impact on key activities; no impact on the end date (occurs at development stage and can be accommodated in schedule).	4-8 weeks delay OR significant impact to key milestone or activities and delays to the end date. No knock-on effect on other projects	8-12 weeks delay OR significant impact to key milestone/ activities and delays to the end date. No knock-on effect on other projects	>12 weeks delay OR significant impact to key milestone/activities and delays to the end date. Knock on effects on other projects

LIKELIHOOD SCORING

1	Very unlikely	Unlikely to happen in the next 5+ years. Has not occurred in the past
2	Unlikely	Not expected to happen in the next 1-2 years. Has occurred in the past
3	Possible	Possibility it will occur in the future. Happens every 1-2 years
4	Likely	Possibility it will occur in next 12 months. Usually occurs annually
5	Almost certain	Almost certainly will occur in next 12 months. Happens frequently.

Appendix B – Risk Register template

A template for risk registers is available. This is an excel document that functions and directorates can use to document their risks. This Appendix summarises that template and explains the purpose of each column.

ID	RISK NAME	RISK DESCRIPTION	CAUSE / TRIGGER	CONSEQUENCE	RISK OWNER	INHERENT RATING			TREATMENT	CONTROLS progress with impact being measured.	RESIDUAL RATING			TREND	FURTHER CONTROL(s) Additional actions required
						Likelihood	Impact	Score			Likelihood	Impact	Score		
Ref	One line description of the risk	Description of the risk	What is it that causes that risk to crystallise?	What happens [to GMCA] when this risk crystallises.	Name/role of owner	Using the risk scoring matrix what is the score BEFORE controls			Are we going to treat, tolerate, transfer or terminate the risk?	What are the mitigating actions in place?	Using the risk scoring matrix what is the score AFTER controls			Is the risk increasing, decreasing or remaining stable?	What else is needed to manage the risk to an appropriate level?
IGR-1	Data Protection Act 2018 compliance	Failure to comply with the requirements of the Data Protection Act 2018 (inc. GDPR).	Failure to ensure that personal data is used fairly and lawfully, is accurate and up to date, and is used only for explicitly stated purposes and is handled in a secure manner.	ICO monitoring and/or audit, impact on affected citizens, fines, reputational damage, impact on delivery of GMS.	PN	3	3	9	Treat	GMCA IG Board chaired by SIRO.	2	4	8	↔	Plan to put policies and processes in place.

APPENDIX C – Implementation Plan

In order to effectively embed this risk management framework within GMCA there need to be a number of actions that initially take place to raise awareness and understanding of risk management but in the longer term to ensure GMCA's culture around risk management continues to evolve and mature so that it is an efficient and effective process within the organisation.

This implementation plan sets out the short, medium and long term action needed to implement the framework.

Activity	Responsibility	Timescale	Status
1. Develop the Risk Management Framework			
a) Define the risk management framework	HoAA	October 2020	Complete
b) Obtain SLT buy-in and support for the risk framework	HoAA	November 2020	Complete
c) Audit Committee review and comment	HoAA	20 November 2020 (papers by 13 November)	
2. Baseline risk management activity – Risk Management Maturity Audit			
a) Draft Terms of Reference for Risk Management Maturity audit	HoAA	October 2020	Complete
b) Approve Terms of Reference	SLT	November 2020	Complete
c) Undertake Internal Audit	Internal Audit	November – December 2020	
d) Report results to SLT	Internal Audit	January 2021	
3. Raise awareness and understanding across GMCA (excl GMFRS)			
a) Develop training and awareness materials	Risk resource	November – December 2020	
b) Develop internal communications launching the risk framework	HoAA / Internal Comms	December 2020	
c) Launch risk management framework	CEMT	January 2021	
d) Roll out training and awareness activities	Risk resource	January 2021 – March 2021	
4. Corporate Risk Register			
a) Quarterly update of [existing] Corporate Risk Register	SLT/CEMT	November 2020	In Progress
b) Quarterly review of Corporate Risk Register	Audit Committee	20 November 2020	
c) Move Corporate Risk Register to new risk management framework	SLT/CEMT/Internal Audit	March 2021	

5. Develop risk registers			
a) SLT Risk workshop	Risk resource	December 2020	
b) Directorate risk workshops	Risk resource	January – March 2021	
c) Maintain risk registers	Directorates	2021/22 onwards	