

RISK MANAGEMENT UPDATE

Responsible Officer Nigel Evans

e-mail: nevans@westmerciaenergy.co.uk Tel: 0333 1014353

1. Summary

- 1.1 The Joint Committee annually reviews the WME Risk Management Strategy and at each meeting receive details regarding the key risks identified.

2. Recommendations

The Joint Committee are recommended to:

- 2.1 approve the WME Risk Management Strategy attached at Appendix A;
2.2 asked to accept the position as set out in this report.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
3.2 There are no direct environmental, equalities or climate change consequences arising from this report.
3.3 Given the subject matter of this report, the assessment of risk forms a fundamental part of the risk strategy.

4. Financial Implications

- 4.1 The financial implications of each risk are considered when the impact of the risk is assessed.

5. Background

- 5.1 The current WME Risk Management Strategy was approved by the Joint Committee on 26 February 2019. Appendix A contains the proposed updated Strategy with the proposed changes outlined on page 3.
- 5.2 The risk register is kept under constant review and is formally reviewed by the management of WME twice a year. The current risk register comprises of 72 highlighted risks compared to 64 in February 2019 with 8 new risks added
- 5.3 The majority of the risks within the risk register are operational with controls in place which mitigate the impact of the risks to an acceptable risk level. The proposed changes to the strategy is to present to each Joint Committee details of the medium and high risks in terms of the risk, the risk owner, the likelihood (L) of the risk, the impact (I) and status.
- 5.4 No high risks have been identified and the current medium risks identified are as follows:

Risk	Risk Owner	L	I	Status
Breach of trading risk levels	Gareth Maude	1	5	5
Breach of product tolerance levels	Gareth Maude	2	4	8
Central government policy or Regulative initiative	Nigel Evans	1	5	5
Products to satisfy customers green agenda	Nigel Evans	4	3	12
Customer contracts	Nigel Evans	3	4	12
Loss of key staff	Nigel Evans	2	4	8
Negative asset position of WME balance sheet	Nigel Evans	4	3	12

- 5.5 Behind all risks are impact assessments, details of controls currently in place and any additional controls and actions required in the future. The Joint Committee can at any time elect to have a more detailed examination of any of the risks and can invite the risk owner to a committee meeting to discuss their risk.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Member

Councillor P Nutting of Shropshire Council (chair of the Joint Committee)

Appendices

Appendix A - WME Risk Management Strategy