

Transport for the North Audit and Governance Committee Meeting – Item 6.0

Subject: Discussion of Transport for the North Risk Management Strategy and Corporate Level Risks

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1. Executive Summary:

- 1.1 Transport for the North's Constitution (Clause 5.3) requires Transport for the North to "implement the risk management strategy, ensuring ownership and the active management of risk and the reporting of significant risks". Therefore, establishing and maintaining a register of Corporate and departmental / programme level risks is an essential element of effective corporate governance and is particularly important to Transport for the North given the nature of its structure and programmes.
- 1.2 The terms of reference for the Transport for the North Audit and Governance Committee include the requirement to "Monitor TfN's risk and performance management arrangements including review of the risk register, progress with mitigating action and the assurance map".
- 1.3 The TfN Risk Management Strategy is included at Appendix 1. This sets out the principles and processes by which TfN will manage risk. Included at Appendix 2 is the current TfN Corporate risk register, setting out the principal corporate risks that Transport for the North faces and which might impact on the ability of Transport for the North to deliver the 2018/19 business plan objectives and priorities, or indeed Transport for the North activity in the longer term.

2. Issue:

- 2.1 Transport for the North's Constitution (Clause 5.3) requires Transport for the North to "implement the risk management strategy, ensuring ownership and the active management of risk and the reporting of significant risks". Transport for the North has put in place a Risk Management Strategy (RMS) which provides the framework within

which risks are identified and managed. This RMS has then been used to develop TfN's Corporate Risk register.

- 2.2 It is essential that Transport for the North recognises, understands and manages the range of risks that could negatively impact on its ability to achieve the objectives set out in the Business Plan and Draft Strategic Transport Plan (STP). The terms of reference for the Audit and Governance Committee include the requirement for it to "Monitor TfN's risk and performance management arrangements including review of the risk register, progress with mitigating action and the assurance map".
- 2.3 Transport for the North's approach to managing risk is set out in its RMS which provides guidance regarding the identification, assessment, management and reporting of risks. Each programme and corporate function within Transport for the North has its own risk register that is updated on either a monthly or fortnightly cycle; with clear reporting in line with governance arrangements. At the apex of these arrangements is the reporting to the Transport for the North Board of corporate level risks every six months.
- 2.4 Transport for the North uses programme information to identify cross cutting risk themes that are sufficiently significant, either in their own right, or in aggregate, to be reported to and discussed by the Board as risks requiring corporate focus. Transport for the North's corporate risks stem from a range of sources, some of which are beyond Transport for the North's direct control. The challenges and uncertainty faced by Transport for the North creates both threats that need to be addressed, and opportunities that can potentially be exploited. These risks are set out in Appendix 1.

3. Purpose:

- 3.1 The Transport for the North Audit and Governance Committee is asked to note and comment upon the Transport for the North Risk Management Strategy.
- 3.2 The Audit and Governance Committee is asked to note the information included in Appendix 2, and consider the risks identified.

4. Discussion:

- 4.1 Appendices 1 and 2 form the basis of the discussion.

Appendices:

Appendix 1 – Transport for the North Risk Management Strategy
Appendix 2 – Transport for the North Corporate Risk Summary

Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report.

Equalities:

Age
Disability
Gender Reassignment
Pregnancy and Maternity
Race
Religion or Belief
Sex
Sexual Orientation

Yes	No

Environment and Sustainability

Yes	No
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Legal
Financial
Resource
Risk
Consultation

Yes	No
Yes	No
Yes	No
Yes	No
Yes	No