

## Report to Partnership Meeting 27 November 2015

### PARTNERSHIP

#### Risk Management: Risk Register Update – October / November 2015

#### PURPOSE OF REPORT

For the Partnership Board to review the Strategic, Management/Operational and Financial Risks faced by the Partnership and through doing so ensure significant risks are identified, evaluated and controlled.

#### BACKGROUND

The Partnership agreed a Risk Management Strategy at its Meeting in February 2011 in reflection of a need for HITRANS to be pro-active and prepared in the way we manage our risk portfolio. Incorporating a more formal approach to risk management in our day to day operations enables us to better deliver our responsibilities and work towards achieving our objectives.

A number of actions are required to implement this Strategy including identifying the risks faced, assessing the risks, integrating risk management into the business planning process, challenging and reviewing the process, and reporting.

The HITRANS Risk Register was originally presented to the Board in April 2011 and is subject to annual review, the latest of which was undertaken in November 2014. This has again been reviewed by Officers to ensure it continues to support the good management of the major risks faced by HITRANS. The revised list of Risk Management Controls is included in the Appendix to the report and approval of this Register, which covers Strategic, Management and Operational, and Financial Risks faced by the Partnership, is now sought.

The risks faced by the Partnership as reflected in the Risk Register will continue to be monitored by HITRANS Officers and Advisors, and subsequently presented to the Partnership for monitoring and approval on at least an annual basis.

#### RECOMMENDATIONS

Members are asked to approve adoption of the HITRANS Risk Register November 2015 as included in the Appendix to the Report.

Risk	impact	Comment
RTS delivery	√	Formal management of the risks faced by the Partnership in delivering the RTS will support its better achievement
Policy	√	Formal consideration of the risks faced by the Partnership will support improved policy development
Financial	√	Formal consideration by the Board of the financial risks faced by the Partnership supports improved financial management.
Equality	-	

**Report by:** Ranald Robertson  
**Designation:** Partnership Director  
**Date:** 16<sup>th</sup> November 2015  
**Background Paper:** Appendix A HITRANS Risk Register November 2015

# Appendix: HITRANS RISK REGISTER - NOVEMBER 2015

## RISK MANAGEMENT - CONTROLS

DATE  
- 17-Nov-14

Ref	Detail	Nature of Risk	Inherent				Residual				Owner	Actions
			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk			
<b>100 Strategic Risks - RTS delivery</b>												
101	Stakeholders may not focus efforts towards delivery of the RTS	<b>Political</b> - Councils and local public sector stakeholders may focus on local Single Output Agreement commitments, and Governments on national priorities in other areas	5	4	H	1. monitoring systems in place to review and report on success in delivering RTS  2. RTP makes case for transport interventions and actions through CPP	5	3	H	Director/ Board	1. HITRANS lobbies for refocusing of national funding to provide element for regional projects and is currently represented in the NTS Stakeholder Group.  2. HITRANS continues to engage with CPPs and Development Planning Authorities promoting case for a strategic transport focus	
102	Funding may not be available to deliver the interventions necessary to deliver strategy by 2022	<b>Financial/ political</b>	4	5	H	1. RTP looks for alternative sources of match funding  2. RTP makes case for transport interventions and actions to Government	4	3	M	Director/ Board/ Officers	1. HITRANS continues to engage with CPPs and Development Planning Authorities promoting case for a strategic transport focus  2. Commitment by Government to deliver a number of key road and rail projects within the region as part of the Infrastructure Investment Plan	

		H									
103	Case for delivery of RTS not made and reinforced	political	5	4	H	1. development of effective publicity through website and press releases and newsletters  2. Chair and Vice Chair to promote case with Government, business and Council leaders	5	3	M	Director/ chair and Vice Chair	3. RTS Light Touch Refresh underway in 2015/16 to reflect current programmes and plans that impact on RTS Delivery.  4. HITRANS continues to look to work with regional partners within the EU to trial best practice and innovation
104	Continuity of Board focus and effectiveness	political	4	4	H	1. Councils in appointing Members to the HITRANS Board will elect representatives with the knowledge and experience in the transport sector commensurate with HITRANS roles and functions  2. Changes to Board Membership and current Chair may impact on the role.	4	2	L	Director/ Board	1. Seminars and information sessions will be a feature of Partnership meetings and pre meetings to ensure Board Members are engaged fully in HITRANS policy development and current critical issues including the RTS refresh.

201	Inadequate staff resource available to carry out actions agreed by Board	HR/ financial	5	3	M	<ul style="list-style-type: none"> <li>1. HR support in employing optimum staff compliment</li> <li>2. Staff training and development</li> <li>3. Staff absence through illness and other factors including maternity leave.</li> </ul>	4	1	L	Director	<ul style="list-style-type: none"> <li>1. PDRs undertaken and workload reviewed</li> <li>2. Short term internships considered as option to increase resources.</li> <li>3. Use of consultants with specialist knowledge and skills in short term support roles when necessary</li> </ul>
202	Failure of IT systems	technical	4	3	M	<ul style="list-style-type: none"> <li>1. Good IT support systems</li> <li>2. Effective backup arrangements for hardware and files</li> <li>3. Systematic updates to server, laptops and website</li> </ul>	4	1	L	Director/ Office Managers	<ul style="list-style-type: none"> <li>1. Employment of effective IT support services</li> <li>2. Programmed approach to replacement of IT equipment</li> <li>3. Monitor performance of broadband and server systems to ensure optimum service</li> </ul>
203	Actions taken on behalf of HITRANS exposes Partnership to corporate or financial liability	operational/ financial	5	2	M	<ul style="list-style-type: none"> <li>1. rules of delegation from Board</li> <li>2. Service procurement and monitoring arrangements in place</li> </ul>	5	1	L	Director/ Finance manager	Regular reviews of Financial and Contract Systems
204	Reliance on knowledge and actions of individuals may result in business failure if they leave or are unavailable	Human Resources	5	4	H	<ul style="list-style-type: none"> <li>1. HR procurement arrangements and employment conditions adequate to retain staff and replace individuals if needed</li> </ul>	5	3	M	Director/ HR support	<ul style="list-style-type: none"> <li>1. Recruitment programme put in place to ensure continuity between staff changes but no anticipated risk at present.</li> </ul>

**300 Financial Risks**

301	Expenditure exceeds budget	financial	4	3	M	1. effective financial monitoring reporting and control systems in place to manage expenditure	4	1	L	Finance Manager/ Director	Regular reviews undertaken to monitor expenditure during year, meetings with Finance Manager by exception. Programmes varied by Board to reflect changes.
										Auditors	systems and procedures checked on regular basis by both internal and external audit
302	Projects expenditure slips resulting in year on year funding discrepancy	financial	4	3	M	1. effective financial monitoring reporting and control systems in place to manage expenditure	4	2	L	Financial Manager/ Director	1. Regular reviews undertaken by Team to monitor expenditure during year, meetings with Finance Manager by exception. Programmes varied by Board to reflect changes.
						2. HITRANS will work to meet its efficiency targets and reduce core costs					2. revision to RTP funding rules sought to allow 10% carry over between years (yet to be achieved)
303	Income from Government and Councils reduces	operational/ financial	4	4	H	1. Proposed use of funding clearly identified before budgets agreed for subsequent years	3	4	M	Director/ Chair	1. In the event of reduced income being available, review the extent of services procured from Councils through Service Level Agreements with a view to undertaking more tasks in-house