HI▶TRANS
THE HIGHLANDS AND ISLANDS TRANSPORT PARTNERSHIP

Report to Partnership Meeting 9 November 2024

PARTNERSHIP

Risk Management: Risk Register Update – November 2024

PURPOSE OF REPORT

For the Partnership Board and Advisors 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 first introduced a Risk Management Strategy in 2011 to support a proactive effort to manage risk across our project and strategy portfolio. This is embedded at an individual project level and included within the regular reporting to the Partnership Board and Advisors throughout the year.

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 is subject to annual review, the latest of which was undertaken in November 2023. 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.

RISK REGISTER

RTS Delivery
Impact - Positive
Comment – No further comment

Policy
Impact - Positive
Comment - Formal management of the risks faced by the Partnership in delivering the RTS will support its better achievement

Financial
Impact – Positive
Budget line and value – This item has no financial cost but impacts across all budget lines.

Comment - Formal consideration by the Board of the financial risks faced by the Partnership supports improved financial management.

Equality
Impact – neutral

Comment – Ensuring positive equality impacts is important to HITRANS and this will be managed through our Equalities Duty rather than the Risk Register.

RECOMMENDATIONS

Members are asked to approve adoption of the HITRANS Risk Register November 2024 as included in the Appendix to the Report.

Report by: Ranald Robertson
Designation: Partnership Director
Date: 14th October 2024
Background Paper: Appendix A HITRANS Risk Register November 2024

Appendix: HITRANS RISK REGISTER - NOVEMBER 2024

RISK MANAGEMENT - CONTROLS

DATE
-                  14-Oct-2024

Ref	Detail	Nature of Risk	Inherent			Controls	Residual			Owner	Actions
			Impact	Likeli hood	Risk		Impact	Likelihood	Risk		
100 Strategic Risks - RTS delivery											
101	Stakeholders may not focus efforts towards delivery of the RTS	**Political** - Councils and local public sector stakeholders may focus on Local Outcome Improvement Plan 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	5	3	H	Director/ Board	1. HITRANS lobbies for refocusing of national funding to provide element for regional projects and is currently represented various national influencing groups.
						2. RTP makes case for transport interventions and actions through CPP and LOIP process				Director/ Board	2. HITRANS continues to engage with CPPs and Development Planning Authorities promoting case for a strategic transport focus. This includes inputting to the LOIP development and other strategic activity including Growth Deals and RTS.

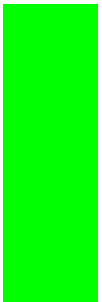| 102	Funding may not be available to deliver the interventions necessary to deliver the RTS.	Financial/ political	4	5	H	1. RTP looks for alternative sources of match funding	4	3	M	Director /Board/ Officers	1. HITRANS continues to engage with CPPs and Development Planning Authorities promoting case for a strategic transport focus including opportunities for Growth / City Deals.
						2. RTP makes case for transport interventions and actions to Government					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									3. RTS Refresh completed in 2024 with approval from partner Councils and wider partners.
											4. HITRANS continues to look to work with regional partners to realise new funding opportunities including from EU (Horizon) and UKRI programmes. Officers recognise the risk from Brexit but in the short term EU funding is confirmed and HITRANS is already actively investigating alternative external funding streams.
											5. RTPs are represented across NTS delivery groups and Governance Review Board and will HITRANS Director has been engaged in the latest Transport Governance work that follows on from the Fair Fares Review

											recommendations.
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	1. Case for specific projects, e.g. rail projects, A9, A96, A82, air access to London, promoted both publicly and in private with Government and key stakeholders 2. An annual meeting invitation will be extended to the Cabinet Secretary for Transport to meet the Chair and Director to build on the good relationship HITRANS enjoys with Ministers.
104	Continuity of Board focus and effectiveness	**political**	4	4	M	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	4	2	L	Director/ Board	1. Workshops 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.
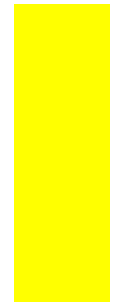
					2. Changes to Board Membership and current Chair may impact on the role.				1. Non Council Board Member recruitment has recently been completed following a vacancy.

200 Management/ Operational Risks

No.	Risk	Category			Rating	Controls			Rating	Owner	Mitigating Actions
201	Inadequate staff resource available to carry out actions agreed by Board	HR/ financial	5	3	M	1. HR support in employing optimum staff compliment 2. Staff training and development 3. Staff absence through illness and other factors including maternity leave.	4	1	L	Director	1. Development reviews undertaken and workload reviewed 2. Short term internships and contractor appointments considered as option to increase resources. 3. Use of consultants with specialist knowledge and skills in short term support roles when necessary 4. Staff offered training opportunities and ensure all members of staff are supported and empowered.
202	Failure of IT systems	technical	4	3	M	1. Good IT support systems that include annual Cyber Resilience Testing / Certification	4	1	L	Director/ Office Managers	1. Employment of effective IT support services including in Cyber Resilience.

ID	Risk	Category	Impact	Likelihood		Controls	Impact	Likelihood		Owner	Further actions
						2. Effective backup arrangements for hardware and files					2. Programmed approach to replacement of IT equipment
						3. Systematic updates to server, laptops and website					3. Monitor performance of broadband and Cloud Based server systems to ensure optimum service and current systems offer a 120 day recovery facility on all files.
203	Actions taken on behalf of HITRANS exposes Partnership to corporate or financial liability	operational/ financial	5	2	M	1. rules of delegation from Board	5	1	L	Director/ Finance manager	Regular reviews of Financial and Contract Systems
						2. Service procurement and monitoring arrangements in place					
204	Reliance on knowledge and actions of individuals may result in business failure if they leave or are unavailable	Human Resources	5	4	H	1. HR procurement arrangements and employment conditions adequate to retain staff and replace individuals if needed	5	3	M	Director/ HR support	1. Recruitment programme put in place to ensure continuity between staff changes but no anticipated risk at present.
											2. The specialist knowledge within the team means that a certain level of knowledge and experience is difficult to replace in the short term but every effort is made to share knowledge across the team and records are maintained on the Cloud server.

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. Government have given RTPs greater flexibility in our financial management with the legislation established that enables the the Partnership to carry reserves.
						2. HITRANS will work to meet its efficiency targets and reduce core costs					
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

| | Director / Finance Manager | 2. Update and maintain information to highlight the very positive return for investment received from HITRANS for our Partners particularly Council partners and Transport Scotland.
3. Continue to develop opportunities for HITRANS to provide a shared service to Councils as we have with Public Transport Information.
4. Build on Audit Recommendations to ensure Medium Term Financial Planning is focussed on and published. |