

---

**Meeting:** Transport for the North Audit & Governance Committee  
**Subject:** Corporate Risk Register Report  
**Author:** Daniella Della-Cerra-Smith, Risk Manager  
**Sponsor:** Paul Kelly, Interim Finance Director  
**Meeting Date:** Friday 16 September 2022

---

## **1. Background:**

- 1.1 Transport for the North has updated the Corporate Risk Register ("CRR") to reflect the Key Performance Indicators (KPIs) and business objectives outlined in the Business Plan for Financial Year 2022/23.
- 1.2 The CRR was last presented to TfN Board on 30 June 2022.
- 1.3 The updated CRR and RMS was presented to Operating Board on 6 September.
- 1.4 The next scheduled Board meeting at which the CRR is due to be presented is 29 September 2022.
- 1.5 The Audit and Governance Committee's role in relation to risk is included in the broader detail of the constitution, which is defined below.
- 1.6 "Audit and Governance Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place".
- 1.7 The terms of reference for the Audit and Governance Committee includes the requirement for the committee to "monitor Transport for the North's risk and performance management arrangements including review of the risk register, and progress with mitigating action".
- 1.8 Transport for the North's corporate risks stem from the agreed KPIs and from a range of other sources, some of which are beyond Transport for the North's direct control. The challenges and uncertainty faced by Transport for the North create both threats that need to be addressed, and opportunities that can potentially be exploited. Transport for the North's Corporate Risk Register is presented at Appendix 1.

## **2. Recommendations:**

- 2.1 That the Committee consider updates to the report and the Risk Management Strategy and provide assurance to the Board on 29 September 2022, that efficient and effective risk management practice and processes are in place.

## **3. High level changes for Audit and Governance to acknowledge:**

- 3.1 Risk workshops have taken place with Directors across TfN and all existing risks and mitigation actions have been reviewed and updated. New risks and actions have been identified where appropriate.
- 3.2 A thorough review of the Risk Management Strategy has been undertaken and the following updates have been made:

- Section 3 incorporates TfN's risk appetite statement
- Section 4 updated risk process diagram
- Risk treatment, page 13, has been updated to include and define 3 types of mitigation plans - Controls, Mitigation actions and Fallback plans
- Section 5 includes the frequency of risk reviews
- Section 6 Risk Reporting Diagram has been updated based on TfN's current environment, definition of the roles in relation to risk management for Operating Board, Audit and Governance Committee and TfN Board are included in this section, as is frequency of reporting
- Roles and responsibilities section has been included, with an updated RACI chart

#### **4. TfN Themes:**

4.1 The top risk themes are currently:

- TfN resources
- TfN funding
- TfN's Strategic Transport Plan (STP)
- Technical appraisal, modelling, and economics
- TfN's reputation, political engagement, and effectiveness
- Rail operations - franchise management and investment

Four new risk factors have been identified

1. Medium term funding sustainability challenges
2. Severance process
3. Loss of knowledge
4. Failure to comply with governance and corporate processes

#### **5. TfN Issues:**

5.1 The issue on the Corporate Risk Register which relates to TfN receiving a one-year funding settlement has now been closed as mitigation actions have been completed. Two funding risks still remain. For further details including mitigation actions can be found in the Corporate Risk Register Appendix 1.

#### **6. TfN Opportunities:**

6.1 Two new opportunities have been identified:

1. Simplification of and reduction in processes
2. TfN can provide more services and guidance to support national, regional, and local partners, as a centre of excellence

Further details of these opportunities can be found in the Corporate Risk Register Appendix 1.

#### **7. Considerations:**

7.1 Transport for the North's approach to managing risk is described in its Risk Management Strategy ("RMS") which sets out guidance for how risks are identified, assessed, managed, and reported. The RMS has been applied in updating the Corporate Risk Register.

7.2 It is essential that Transport for the North and its programme teams recognise, understand, and manage the risks that could negatively impact on its ability to achieve its objectives and priorities.

7.3 This report provides the Committee with an update on the organisational risks and issues relating to the business KPIs/objectives which can be found in the Corporate Risk Register.

7.4 RSM are undertaking a risk maturity review week commencing 19 September.

## **8. Corporate Considerations:**

### **8.1 Financial Implications**

The financial implications are detailed within individual risks where applicable.

### **8.2 Resource Implications**

The resource implications are detailed within individual risks where applicable.

### **8.3 Legal Implications**

The legal implications are detailed within individual risks where applicable.

### **8.4 Risk Management and Key Issues**

The Corporate Risk Register is part of this report.

### **8.5 Environmental Implications**

A full impact assessment has not been carried out because it is not required for this report.

### **8.6 Equality and Diversity**

A full impact assessment has not been carried out because it is not required for this report.

### **8.7 Consultations**

A consultation has not been carried out because it is not necessary for this report.

## **9. Background Papers:**

9.1 The Corporate Risk Register presented as a standing item at each Audit & Governance Committee provide the background papers and context for this report

## **10. Appendices:**

10.1 Appendix 1 Corporate Risk Register Sept 2022

10.2 Appendix 2 Risk Management Strategy

### **Glossary of terms, abbreviations and acronyms used**

a) CRR	Corporate Risk Register
b) KPI's	Key Performance Indicators
c) RACI	Responsible, Accountable, Consulted and Informed
d) STP	Strategic Transport Plan
e) RMS	Risk Management Strategy