
Meeting: Transport for the North Board
Subject: Corporate Risk Register and Risk Management Strategy Report
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Meeting Date: Thursday 23 March 2023

1. Background:

- 1.1 As stated in the risk management strategy, the Board will receive a high-level summary of TfN's risk environment, (section 1 Corporate Risk Register Appendix 1). This report provides the Board with an update on the key organisational risks, which reflect the KPI's, and business objectives outlined in the business plan for financial year 2022/23.
- 1.2 The Audit and Governance Committee's role in relation to risk is included in the broader detail of the Constitution, which is defined below:
"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."
- 1.3 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."

2. Recommendations

- 2.1 The Board is recommended to note the key organisational risks, the updates to the Risk Management Strategy and that a programme of risk 'deep dives' has been implemented by the Audit and Governance Committee.

3. Context

- 3.1 Risk workshops have taken place with Directors across TfN and all existing risks and mitigation actions have been reviewed and updated.
- 3.2 The overall risk profile faced by TfN has reduced; a reflection of TfN having received a 2-year funding allocation from DfT, and the progress made in producing the draft Strategic Transport Plan. It also reflects that TfN has now transitioned to a new operating model.
- 3.3 The Corporate Risk Register was presented to the Audit and Governance Committee on 17 February 2023. The Committee has delivered against its Terms of Reference which included discussions in relation to the reductions in the risk profile.

A risk deep dive schedule was presented to the Committee and there was a discussion in relation to the order and topics of the deep dives. A deep dive is planned for July 2023 – Corporate risk 643 (TfN is unable to recruit and retain suitable staff to deliver the 2023/24 business plan and medium to long term TfN objectives).

Risk is a standing item at Audit and Governance Committee meetings and the Corporate Risk Register and Risk Management Strategy are updated systematically during the year. This is highlighted in the Chair of Audit and Governance

Committee's report to the Board, which provides assurance for TfN that efficient and effective risk management practice and processes are in place.

- 3.4 RSM conducted a risk maturity audit in September 2022. Four management actions are currently being worked through. These actions include Audit and Governance Committee performing deep dives into risk specific areas and TfN to establish a risk assurance framework.
- 3.5 Following on from one of the actions identified by RSM as part of the risk maturity audit, the Risk Management Strategy has been updated to include the factors below that will be considered when escalating risks to the Operating Board.
- Prevent/impact the achievement of strategic objectives.
 - Adversely affect business critical activities or business plan delivery, which cannot be managed or controlled at project, programme, or functional level.
 - Affect multiple projects, programmes or functions and require collaboration across teams.
- 3.6 The Corporate Risk Summary (Annex 1) identifies that the top risk themes are currently:
- TfN funding
 - Resources
 - Rail
 - TfN's Strategic Transport Plan (STP)

The actions being undertaken to mitigate/manage these risk themes are set out in the summary.

4. Corporate Considerations:

4.1 *Financial Implications*

The financial implications are detailed within individual risks where applicable.

4.2 *Resource Implications*

The resource implications are detailed within individual risks where applicable.

4.3 *Legal Implications*

The legal implications are detailed within individual risks where applicable. Governance processes adopted are explained within the report.

4.4 *Risk Management and Key Issues*

The Corporate Risk Register is part of this report.

4.5 *Environmental Implications*

A full impact assessment is not required for this report.

4.6 *Equality and Diversity*

A full impact assessment is not required for this report.

4.7 *Consultations*

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

5. Background Papers:

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

6. Appendices:

