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**Meeting:** Transport for the North Audit & Governance Committee

**Subject:** Corporate Risk Register, Risk Assurance Report and Risk Deep Dive Schedule

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**Sponsor:** Paul Kelly, Finance Director

**Meeting Date:** Friday 15 December 2023

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## **1. Background:**

- 1.1 Transport for the North (TfN) has updated the Corporate Risk Register (CRR) to reflect the milestones and Business Objectives outlined in the Business Plan for Financial Year 2023/24.
- 1.2 The CRR was last presented to TfN Board on 27 September 2023. The next scheduled Board meeting at which the CRR is due to be presented is 20 March 2023.
- 1.3 The updated CRR and the assurance output and report were presented to Operating Board on 28 November 2023.
- 1.4 TfN's corporate risks stem from the agreed milestones and from a range of other sources, some of which are beyond TfN's direct control. The challenges and uncertainty faced by TfN create both threats that need to be addressed, and opportunities that can potentially be exploited. Please see Appendix 4.1, TfN's Corporate Risk Register.
- 1.5
  - The CRR has been reviewed and updates have been made to risks, assessment of risks and mitigation actions, to reflect TfN's current environment, key milestones and 2023/24 business plan.
  - Assurance reviews for all corporate risks have been undertaken to populate the output and report.
- 1.6 Following on from the government announcement regarding the cancellation of HS2 phase 2 two additional risks have been reassessed as very high. (Risk 647 & Risk 881).

The four very high corporate risks are:

- Risk 647, Following the announcement of the cancellation of HS2 phase 2 and the proposals for Network North and the publication of the IRP they set out the Government's proposals in respect of NPR and TRU. There is a risk that individual programmes are not aligned and expected benefits not realised
- Risk 916, Material variations from the funding/cost planning assumptions that underpin medium term sustainability
- Risk 310, TfN could have a reduced role in the rail industry following the implementation of rail reform including the role with Great British Railways
- Risk 881, TfN are unable to produce a draft STP that will be endorsed by TfN Board and government in time to consult and then adopt the plan by the end of March 2024.

## **2. Recommendations:**

- 2.1 In order to provide assurance that efficient and effective risk management practice and processes are in place

- Consider the updates to the CRR. Please review the executive summary for key changes.
- Consider and endorse TfN's new corporate risk assurance report.
- Endorse the updated schedule for risk deep dives at future Audit and Governance Committee meetings.

### 3. **TfN Corporate Risk Assurance Output and Report:**

3.1 TfN have undertaken its first assurance review with the CEO, Directors & members of SMT on all corporate risks. The emerging outcome is there are effective controls in place and being delivered to manage 18 corporate risks. A few of the controls have been categorised as adequate and actions have been identified against those controls. The overall assurance score of risk 920 failure to comply with good practice, governance and corporate processes across the organisation has been categorised as adequate and an action has been identified. Please see Appendix 4.2 for detail.

### 4. **Audit and Governance Committee Risk Deep Dive Schedule:**

4.1 The Audit and Governance risk deep dive schedule has been updated and shows which areas have been selected for deep dive from March 24 to December 24. Please see Appendix 4.3 for detail.

### 5. **Considerations:**

- 5.1 Transport for the North's approach to managing risk is described in its Risk Management Strategy which sets out guidance for how risks are identified, assessed, managed, and reported. The RMS has been applied in updating the CRR.
- 5.2 It is essential that TfN and its teams recognise, understand, and manage the risks that could negatively impact on its ability to achieve its objectives and priorities.
- 5.3 This report provides the Committee with an update on the organisational risks and issues relating to the business milestones/objectives which can be found in the CRR.

### 6. **Corporate Considerations:**

#### 6.1 ***Financial Implications***

The financial implications are detailed within individual risks where applicable.

#### 6.2 ***Resource Implications***

The resource implications are detailed within individual risks where applicable.

#### 6.3 ***Legal Implications***

The legal implications are detailed within individual risks where applicable.

#### 6.4 ***Risk Management and Key Issues***

The Corporate Risk Register is part of this report.

#### 6.5 ***Environmental Implications***

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

#### 6.6 ***Equality and Diversity***

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

#### 6.7 ***Consultations***

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

**7. Background Papers:**

7.1 The CRR presented as a standing item at each Audit & Governance Committee provides the background papers and context for this report.

**8. Appendices:**

8.1 Appendix 1 TfN Corporate Risk Register Nov 2023

8.2 Appendix 2 TfN Corporate Risk Assurance Report Oct 23

8.3 Appendix 3 Audit & Governance Committee Risk Deep Dive Schedule Mar 24 – Dec 24

<b>Glossary of terms, abbreviations and acronyms used</b>	
a) CRR	<i>Corporate Risk Register</i>