



Report to Partnership Meeting – 5 October 2012

PARTNERSHIP

Risk Management – Risk Register Update September 2012

PURPOSE OF REPORT

For the 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, integration 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 regular review, the latest of which was undertaken in January 2012, has again been reviewed by Officers and Permanent Advisors 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 September 2012 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: Dave Duthie
Designation: Partnership Director
Date: 24th September 2012

Appendix: Item 15 -HITRANS RISK REGISTER - SEPTEMBER 2012

RISK MANAGEMENT - CONTROLS

DATE

- 13-Sep-12

Ref	Detail	Nature of Risk	Inherent				Residual				Owner	Actions
			Impact	Likelihood	Risk	Controls	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 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	5	3	H	Director/ Board	1. HITRANS lobbies for refocusing of national funding to provide element for regional projects	
						2. RTP makes case for transport interventions and actions through CPP				Director/ Board	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 delivery necessary interventions to deliver strategy by 2022	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 2. Commitment by Government to deliver a number of key road and rail projects within the region as part of the Infrastructure Investment Plan	
						2. RTP makes case for transport interventions and actions to Government						

				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	5	3	M	Director/ chair and Vice Chair	3. RTS Delivery Plan being reviewed in 2012 to ensure it best reflects proposed actions by HITRANS and partners in adding value to achieving RTS delivery 4. HITRANS continues to look to work with regional partners within the EC to trial best delivery mechanisms		
						2. Chair and Vice Chair to promote case with Government, business and Council leaders					1. Case for specific projects, e.g. rail projects, A9, A96, A82, air access to London hub, promoted both publicly and in private with Government and key stakeholders		
104	Continuity of Board focus and effectiveness reduced short term due to changes in Membership post May 2012 local government elections	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	4	2	L	Director/ Board	1. A full day seminar will be run in June 2012 to inform any new Board members of the aims of HITRANS and current critical issues.		
						2. Should the current Chair not return to HITRANS post Election a new Chair will be appointed at the June 2012 Board Meeting					2. Further seminars/ Briefings will be arranged as follow ups should the Board consider this would be of value.		

200 Management/ Operational Risks

201	Inadequate staff resource available to carry out actions agreed by Board	HR/ financial	5	3	M	<ul style="list-style-type: none"> 1. HR support in employing optimum staff compliment 2. Staff training and development 	4	1	L	Director	<ul style="list-style-type: none"> 1. PDRs undertaken and workload reviewed 2. Short term internships used to increase resources 3. Use of consultants with specialist knowledge and skills in short term support roles when necessary
202	Failure of IT systems	technical	4	3	M	<ul style="list-style-type: none"> 1. Good IT support systems 2. Effective backup arrangements for hardware and files 3. Systematic updates to server, laptops and website 	4	1	L	Director/ Office Managers	<ul style="list-style-type: none"> 1. Employment of effective IT support services 2. Programmed approach to replacement of IT equipment 3. Monitor performance of broadband supplier to ensure optimum service
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"> 1. rules of delegation from Board 2. Service procurement and monitoring arrangements in place 	5	1	L	Director/ Finance manager	<ul style="list-style-type: none"> 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"> 1. HR procurement arrangements and employment conditions adequate to retain staff and replace individuals if needed 	5	3	M	Director/ HR support	<ul style="list-style-type: none"> 1. Recruitment programme put in place to ensure continuity between Director retiring and new Director taking up the post.

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

