

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

27 MARCH 2018

REVIEW OF RISK REGISTER

REPORT BY DIRECTOR

This report presents the Partnership's Risk Register for annual review and approval by the Partnership.

1 RECOMMENDATIONS

1.1 That the Partnership :-

- (i) reviews the Risk Register which forms Appendix A to the report; and
- (ii) agrees to receive a further report reviewing and updating the Risk Register not later than March 2019.

2 BACKGROUND

- 2.1 At its meeting on 21 June 2011 the Partnership approved a Risk Management Policy and Strategy (Report RTP/11/14 refers). This recognises that compliance with the principles of best value and good corporate governance requires a formalised approach to the management of strategic, operational and financial risks which the Partnership may face, in a proactive and controlled manner.
- 2.2 The Risk Management Policy and Strategy was reviewed and updated in December 2016, as part of the Partnership's agreed approach to undertaking periodic comprehensive review of its Core Governance Policies (Report RTP/16/34 refers).
- 2.3 The Risk Register, which supports implementation of the Risk Management Policy and Strategy, is reviewed formally by the Partnership not less than annually. The Partnership last reviewed its Risk Register at its meeting on 14 March 2017 (Report RTP/17/02 refers).

3 DISCUSSION

- 3.1 The Risk Register reflects the Partnership's primary statutory duties and responsibilities in relation to :-
- development, monitoring and overseeing the implementation of the Regional Transport Strategy;

- engaging in and supporting Community Planning; and
 - acting as a Key Agency in the Development Planning process
- 3.2 The Register identifies and takes account of relevant strategic, operational and governance risks, including any key risks identified during annual audit processes by external auditors and through other internal and external review processes.
- 3.3 The main areas of identified risk are categorised in relation to (1) RTS Development and Delivery; (2) Management and Operation of the Partnership; and (3) Financial. The various risks are monitored and updated by the Director and Treasurer.
- 3.4 Risk Controls and Actions were previously updated in March 2016 and March 2017 to reflect major actions such as refresh of the RTS and review of the RTS Delivery Plan and Monitoring Framework. The Register has been further updated to reflect completion of these key activities during 2016/17.
- 3.5 Review of the Register during 2017/18 included reclassification of a number of Management/Operational risks, which had been increased during 2016 and 2017 owing to identified risks in relation to succession planning and as a result of planned and unplanned staff turnover during that period. Following successful completion and implementation of a review of the Partnership's Management and Staffing structures during 2017/18 and the successful conclusion of recent staff recruitment processes which have returned the Partnership to a full staffing complement, including the recent appointment of a new Partnership Director effective from 1 July 2018, the associated Management/Operational residual risks 2.1 and 2.4 in the Appendix have been downgraded from High to Medium accordingly.
- 3.6 At its meeting on 12 December 2017 the Partnership noted the publication of a Public Sector Action Plan setting out a number of key actions requested of public sector organisations, which are designed to implement a common and robust approach to cyber resilience across the public sector (Report RTP/17/39 refers). The Action Plan sets out 11 key actions with various timelines and milestones during 2018 and beyond on issues including governance; independent assurance on critical controls; training and awareness raising; incident response; supply chain cyber security; and monitoring and evaluation. Tactran's IT systems, procurement and support are provided under a Service Level Agreement (SLA) with Perth & Kinross Council. It has been confirmed that the various Public Sector Action Plan requirements affecting Tactran will be addressed through development and updating of the current SLA with the Council's IT service and providers. Discussions are ongoing regarding the various technical and operational aspects of compliance with the Public Sector Action Plan

and the Partnership's Risk Register will be further reviewed to reflect these ongoing discussions and developments in relation to cyber resilience, as noted in Risk 2.2.

- 3.7 As identified through successive annual audits, the principal strategic risks facing the Partnership are in relation to securing the necessary commitment and funding to supporting implementation of the RTS and associated Delivery Plan. As part of the 2017 review a number of references were included to reflect the potential opportunity that evolving City Deals for the Tay Cities and Stirling & Clackmannanshire city-regions offer in relation to leveraging Government and other funding commitment for advancing a number of RTS Delivery Plan proposals. Pending confirmation of final agreement of the content of both City Deals these elements of the Risk Register are unchanged.
- 3.8 Officers continue to seek and explore other opportunities for leveraging external and matched delivery funding to support development and delivery of the RTS, including continued work and partnering with relevant delivery agencies such as Sustrans, Cycling Scotland, transport operators and Transport Scotland.
- 3.9 The Partnership is asked to review the Risk Register at Appendix A and to approve this as a basis for ongoing review during 2018/19, and to receive a further report reviewing the Register in not more than 12 months' time. Areas where revisions and updating of the Register have been included are highlighted in yellow for ease of identification.

4 CONSULTATIONS

- 4.1 The Risk Register has been developed and updated having regard to the Partnership's core statutory duties and responsibilities, taking account of emerging operational and legislative issues and other areas of risk identified during annual audit processes.

5 RESOURCE IMPLICATIONS

- 5.1 This report has no additional resource implications.

6 EQUALITIES IMPLICATIONS

- 6.1 This report has been screened for any policy implications in respect of Equality Impact Assessment and no major issues have been identified.

Eric Guthrie
Director

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NOTE

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing this Report.

Report to Partnership RTP/11/14, Review of Governance Policies and Procedures, 21 June 2011

Report to Partnership RTP/16/04, Review of Risk Register, 8 March 2016

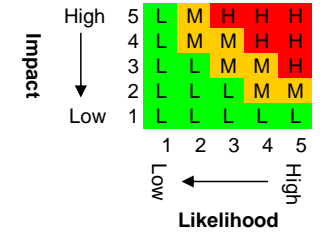
Report to Partnership RTP/16/34, Review of Core Governance Policies and Procedures, 6 December 2016

Report to Partnership RTP/17/02, Review of Risk Register, 14 March 2017

Report to Partnership RTP/17/39, Directors Report, 12 December 2017

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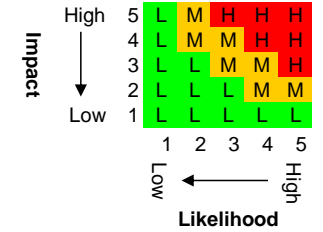
Ref	Detail	Nature of Risk	Inherent				Residual				Owner	Actions
			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk			

1 Strategic Risks - RTS Development and Delivery

1.1	Stakeholders unwilling or unable to prioritise delivery of the RTS	Political/Financial	5	4	H	Monitoring Framework and Revenue and Capital Programmes monitoring systems in place to review and report on success in delivering RTS. Review of RTS Delivery Plan and RTS Monitoring Framework completed during 2016 having regard to recommendations identified in Annual Audit Reports (ISA 260). RTS Delivery Plan 2016-2021 identifies priorities and lead and supporting delivery agencies/partners.	5	3	H	Director/Partnership Board Members	Continue to engage with Scottish Government, Transport Scotland, partner Councils, City Deals and other stakeholders on prioritising and securing national, Council and other sources of funding, as appropriate, to deliver key RTS projects. City Deals offer potential new funding and delivery opportunity to advance implementation of RTS.
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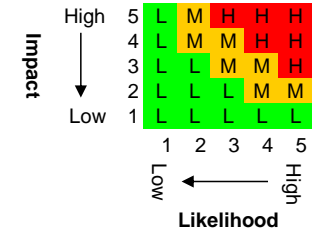
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Ref	Detail	Nature of Risk	Inherent			Controls	Residual			Owner	Actions
			Impact	Likelihood	Risk		Impact	Likelihood	Risk		
1.2	Councils and other public sector stakeholders may not prioritise the delivery of Regional Transport Strategy objectives and RTS Delivery Plan measures.	Political/Financial	5	4	H	Monitoring Framework and Revenue and Capital Programmes monitoring systems in place to review and report on success in delivering RTS. Review of RTS Delivery Plan and RTS Monitoring Framework completed during 2016 having regard to recommendations identified in Annual Audit Reports (ISA 260). RTS Delivery Plan 2016-2021 identifies priorities and lead and supporting delivery agencies/partners. Relevant RTS priorities included in emerging City Deals for Tay Cities and Stirling, with potential for Government and other partner delivery commitment and funding through these.	5	3	H	Director/Senior Strategy Manager	Proactive engagement by Tactran officers within Community Planning, Development Planning, City Deals and related CPP Action Programming to promote strategic benefits of RTS in supporting delivery of local and national outcomes.

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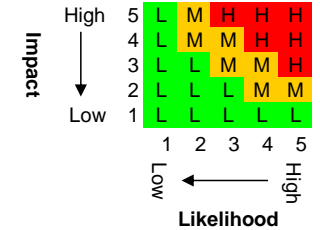
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			Impact	Likelihood	Risk		Impact	Likelihood	Risk		
1.3	Lack of delivery funding to support implementation of Regional Transport Strategy.	Financial/Political	5	4	H	Investigate alternative sources of delivery and match funding	4	4	H	Director /Partnership Board Members	Investigate and engage with City Deals, Transport Scotland, Councils, operators and other potential partners on availability of match funding
						Engage with partner Council Revenue Budget and Capital Programme processes. Engage with City Deals				Director/Partnership Board Members/Senior Partnership Manager	Liaise with Council Chief Officers and Heads of Finance on annual Revenue and Capital Budget setting processes. Review of RTS Delivery Plan has included agreement on proposed profiling and prioritisation of RTS delivery.
						Make case for prioritising RTS interventions and actions with Councils and with Government				Director/Partnership Board Members	Continue to engage with CPPs, emerging City Deal governance structures, and Development Planning Authorities promoting case for a strategic transport delivery focus
1.4	Case for delivery of RTS not recognised by Stakeholders	Political/Public	5	4	H	Ongoing promotion of benefits of RTS through effective promotion, publicity campaigns and communication through website, press releases and stakeholder newsletters	5	3	H	Director/Chair/Partnership Board	Review of RTS Delivery Plan included consultation with all relevant stakeholders and partners on prioritisation and profiling of RTS delivery. Promote case for RTS delivery priorities through City Deals and through influencing forthcoming review of the Strategic Transport Projects Review commencing late 2018/19
						Promote benefits and case for RTS with Scottish Government, City Deals, Councils, transport providers and business				Director/Chair/Partnership Board	Ongoing discussion with City Deals, Transport Scotland and other stakeholders on promoting and developing business case for RTS priority actions

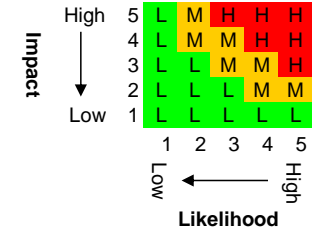
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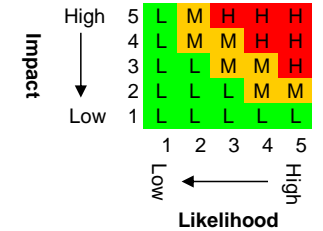
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1.5	RTS policies and priorities not identified in Strategic and Local Development Plans	Strategic	5	1	L	Officers fully engaged in SDP and LDP key stakeholder groupings.	5	1	L	Director/Senior Partnership Manager	Maintain existing officer input to SDP and LDP processes. Relevant RTS Delivery Plan priorities embedded with TAYplan SDP Action Plan and LDP Action Plans. Review of RTS Delivery Plan maintained and strengthened alignment with reviewed and updated SDP and LDPs. Partnership receives reports at key Main Issues Report, Proposed Plan and Action Programme stages of SDP/LDP processes
1.6	The Partnership fails to engage fully in Community Planning	Strategic	5	1	L	Officers proactively engaged in CPPs and relevant Thematic Groupings	5	1	L	Director/Senior Partnership Manager	Maintain and strengthen officer input to CPP governance and delivery activity aligning RTS priorities with supporting CPP and local outcomes. Active engagement of Partnership officers in ongoing review of CPP structures and endorsement by Board of Locality Outcomes Improvement Plans (LOIPs) replacing former SOAs in 2018/19 and through ongoing contribution to the development of emerging Locality Plans and priorities.

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			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk	Owner	
1.7	Partnership Board fails to function collegiately	Governance	5	2	M	Induction training undertaken for new Members at start of each new Council election cycle and periodically to take account of changing circumstances.	5	2	L	Director/Proper Officers	Partnership receives regular reports on SOA approval, development and Action Programming. LOIPs endorsed by Partnership Board on 12/12/17 and ongoing officer engagement on related LOIP action planning. Partnership Board to receive at least annual progress update on contributing to LOIPs. Governance procedures and RTS Delivery Plan and priorities have been developed and are regularly reviewed to ensure continued alignment with CPP/LOIP objectives and delivery Induction training delivered to all Board Members at June 2017 meeting and will be supplemented periodically as required in response to changes to legislative or other controls and issuing of new or amended Guidance.

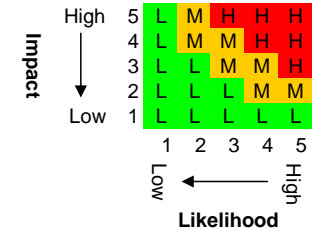
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1.8	Projects are not delivered in accordance with programme and budget	Operational/Financial	5	3	H	Project Risk Assessment carried out as part of Project Management process	5	2	M	Senior Partnership Manager	Review of RTS Delivery Plan completed during 2016 included agreement with partner Councils and other lead/supporting agencies on prioritisation, profiling and programming of RTS delivery moving forward
						Regular monthly monitoring of progress in liaison with project delivery partners and contractors and quarterly reporting to Partnership Board on Revenue expenditure and Capital Programme monitoring as necessary				Senior Partnership Manager	

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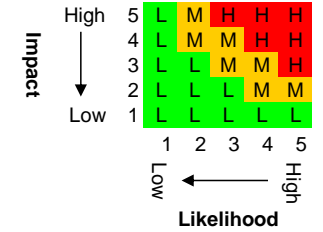
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			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk	Controls		
2 Management/ Operational Risks												
2.1	Inadequate staff resource available to carry out actions agreed by Board	HR/ Financial	5	3	H	HR support in employing optimum staff complement	4	2	M	Director	Resources planning taken into account in reporting to Board and as part of Board Action reviews. Revised Management and staffing structures approved by Board and successfully implemented during 2017/18 to address succession planning requirements and planned and unplanned staff turnover.	
						Staff training and development				Director	Ongoing review of staff development and training needs by Director	
2.2	Failure of IT systems	Technical	4	3	M	Effective and reliable IT support systems	4	1	L	Office Manager	Employment of effective IT support services through SLA with Perth & Kinross Council	
						Secure and effective backup arrangements for hardware and files				Office Manager	Secure backup and file management systems maintained and updated through IT SLA review process and through new, statutory Records Management Plan systems and approaches. SLA to be updated during 2018/19 to take account of new Public Sector Action Plan on Cyber Resilience	

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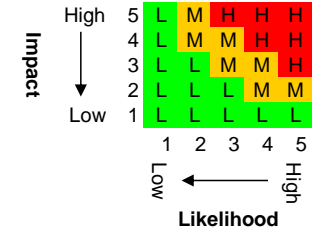
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2.3	Action by Partnership staff, members or partners exposes Partnership to corporate or financial liability	Operational/Financial	5	2	M	Systematic updates to server, laptops and website Financial Regulations and Scheme of Delegation Service procurement and monitoring arrangements in place	5	1	L	Office Manager/IT support Director/Treasurer Director/Treasurer	Annual review of IT system capability and renewals through SLA with Perth & Kinross IT. Updating of office desktop hardware for all staff undertaken in 2018/19. Regular reviews of Financial and other Control Systems Monthly financial monitoring meetings with Finance support staff monitoring
2.4	Reliance on knowledge and actions of individuals may result in business failure if they leave or are unavailable	Human Resources	5	4	H	HR procurement arrangements and employment conditions adequate to retain staff and replace individuals if needed	5	2	M	Director/ HR support	Review of Management and staffing structure approved and successfully implemented during 2017/18 designed to ensure continuity of appropriate personnel and experience. New Records Management Plan and systems will assist with business continuity planning.

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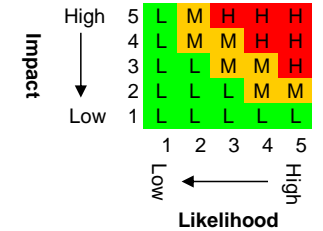


Ref	Detail	Nature of Risk	Inherent				Residual				Owner	Actions
			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk			
						Staff training and development needs reviewed annually				Director	Review staff training and development requirements moving forward.	
2.5	Non compliance with Freedom of information requirements	Legislative	5	3	H	Maintain approved Publication Scheme	5	2	L	Director	Arrangements in place for dealing with FOI requests in compliance with statutory requirements.	
2.6	Failure to comply with relevant legislation and recognise implications of new legislation	Legislative	5	3	H	Monitoring of reports and recommended actions and relevant statutory changes	5	1	L	Legal Officer/Director	Ongoing monitoring of Scottish Government/Parliament legislative processes and other relevant Government publications.	
2.7	Failure to comply with relevant Health & Safety Regulation	Legislative	5	2	M	Written policies covering Health & Safety for staff and Members	5	1	L	Director	Ongoing review.	
						Workplace areas assessed and safe working procedures documented for operational areas				Office Manager	Ongoing review.	
						Fire safety procedures and recognised First Aider cover in place				Office Manager	Ongoing review.	

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3 Financial Risks												
3.1	Expenditure exceeds budget	Financial	4	3	M	Effective financial monitoring, reporting and control systems at Board and officer level are in place to manage expenditure	4	1	L	Treasurer/Director	Regular monthly monitoring meetings with Finance support staff and regular quarterly monitoring reports on Revenue Expenditure to Partnership Board and on Capital Programmes as necessary.	
3.2	Projects expenditure slips resulting in year on year funding discrepancy	Financial	4	3	M	Effective financial monitoring reporting and control systems in place to manage project expenditure Arrangements are in place to manage slippage across Financial Years where necessary	4	2	M	Treasurer/ Director Director	Regular reviews undertaken to monitor expenditure during year, meetings with Finance Manager by exception. Programmes varied by Board to reflect changes. Continue too seek amendment to statutory controls to enable creation of RTP Reserves funds and carry over of reserves across Financial Years. Response submitted to Scottish Government consultation in January 2018 on proposal to extend balances/reserves flexibility to RTPs. Scottish Government response to consultation currently awaited.	



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3.3	Theft or loss of assets exposes Partnership to loss of reputation or financially	Financial/Reputational	5	2	M	External security measures in place Adequate insurance cover in place	3	1	L	Office Manager Office Manager	

