

## TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

14 MARCH 2017

## REVIEW OF RISK REGISTER

## JOINT REPORT BY DIRECTOR AND TREASURER

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 2018.

**2 BACKGROUND**

- 2.1 At its meeting on 21 June 2011 the Partnership approved its current 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 recently reviewed, as part of the Partnership's agreed approach to undertaking periodic comprehensive review of Core Governance Policies, as reported to and approved by the Partnership on 6 December 2016 (Report RTP/16/34 refers).
- 2.3 The Risk Register, supporting 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 8 March 2016 (Report RTP/16/04 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 2015 and March 2016 to reflect ongoing and planned 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.
- 3.5 Review of the Register during 2016/17 has identified the need to materially adjust a number of Management/Operational risks to take account of review of the Partnership's Management and Staffing structures to address planned and unplanned staff turnover during 2016/17, as approved by the Board during 2016, and also to reflect uncertainties and risks associated with current deferral of appointment to vacancies pending clarification of emerging proposals for new regional governance structures and associated resourcing/delivery through the Tay Cities Deal, as discussed in a separate report. Management/Operational Risks 2.1 and 2.4 in the Appendix have been upgraded from Medium to High accordingly. In addition a number of changes to risk ownership have been included throughout, to reflect the revised Management and Staffing structure approved by the Partnership on 8 March 2016 (Report RTP/16/16 refers).

- 3.6 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. A number of references have been included throughout the Risk Register to reflect the opportunity that evolving and emerging City deals for the Tay Cities and Stirling city-regions present, in relation to leveraging commitment and delivery funding for advancing a number of key Regional Transport Strategy Delivery Plan proposals and interventions moving forward.
- 3.7 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.
- 3.8 The Partnership is asked to review the Risk Register at Appendix A and to approve this as a basis for ongoing review during 2017/18, and to receive a further report in not more than 12 months' time. Areas where revisions and updating of the Register have been included/inserted 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**

**Scott Walker**  
**Treasurer**

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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

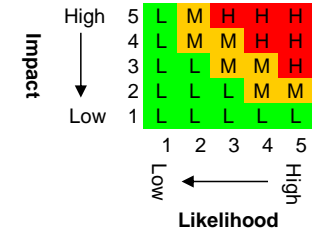
Report to Partnership RTP/16/04, Review of Risk Register, 8 March 2016

Report to Partnership RTP/P1/16 Proposed Review of Management Arrangements (EXEMPT), 8 March 2016

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

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**RISK MANAGEMENT - CONTROLS**

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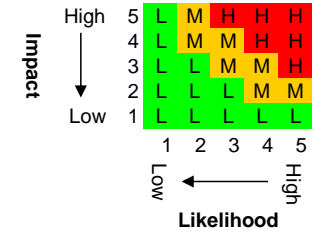
Ref	Detail	Nature of Risk	Inherent				Residual				Owner	Actions
			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk			

**1 Strategic Risks - RTS Development and Delivery**

1.1	Stakeholders unwilling or unable to prioritise delivery of the RTS	<b>Political/Financial</b>	5	4	<b>H</b>	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	<b>H</b>	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
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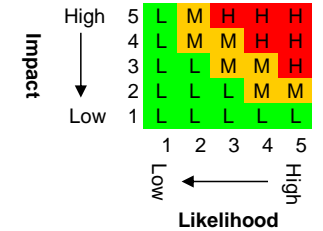
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			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk			
1.2	Councils and other public sector stakeholders may not prioritise the delivery of Regional Transport Strategy objectives and RTS Delivery Plan measures.	Political/Financial	5	4	H	Monitoring 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, City Deals, Community Planning bodies and CPP Action Programming, and Strategic and Local Development Plan Action Programming.	
									Director/Senior Partnership Manager	Continue to engage with City Deals, CPPs and Development Planning Authorities promoting case for a strategic transport focus		

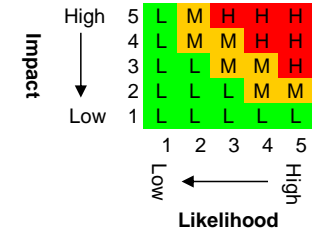
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1.3	Lack of delivery funding to support implementation of Regional Transport Strategy.	<b>Financial/Political</b>	5	4	<b>H</b>	Investigate alternative sources of delivery and match funding	4	4	<b>H</b>	Director /Partnership Board Members	Investigate and engage with City Deals, Transport Scotland, Scotland Europa, 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	<b>Political/Public</b>	5	4	<b>H</b>	Ongoing promotion of benefits of RTS through effective promotion, publicity campaigns and communication through website, press releases and stakeholder newsletters	5	3	<b>H</b>	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 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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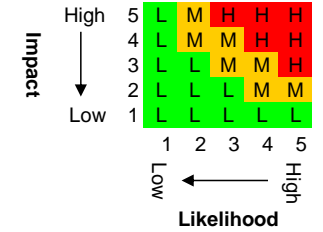


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1.5	RTS policies and priorities not identified in Strategic and Local Development Plans	<b>Strategic</b>	5	1	L	Officers fully engaged in SDP and LDP key stakeholder groupings.	5	1	L	Director/Senior Partnership Manager	Maintain existing officer input 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	<b>Strategic</b>	5	1	L	Officers proactively engaged in CPPs and relevant Thematic Groupings	5	1	L	Director/Senior Partnership Manager	Maintain and seek to develop existing officer input to CPP governance and activity on outcomes. Recent and ongoing review of CPP structures has strengthened engagement with CPPs. Tactran is a formal signatory to all 4 current SOAs, as approved by CPPs and Scottish Government during summer 2013, and will contribute to the development of emerging Locality Outcome Improvement Plans (LOIPs) by September 2017.
										Director	Partnership receives regular reports on SOA approval, development and Action Programming



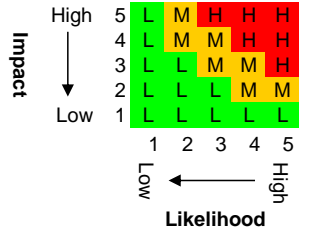
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1.7	Partnership Board fails to function collegiately	<b>Governance</b>	5	2	H	Induction training for new Members in June 2017	5	2	L	Director/Proper Officers	Induction training delivered to all Board Members after each Council election cycle and periodically in response to changes to legislative or other controls and issuing of new Guidance.	
1.8	Projects are not delivered in accordance with programme and budget	<b>Operational/Financial</b>	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		

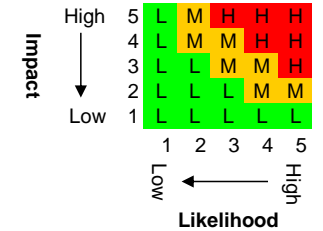
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<b>2 Management/ Operational Risks</b>											
2.1	Inadequate staff resource available to carry out actions agreed by Board	HR/ Financial	5	4	H	HR support in employing optimum staff complement	4	3	M	Director	Resources planning taken into account in reporting to board and as part of Board Action reviews. Review of Management and staff structures designed to address succession planning taking account of planned and unplanned staff turnover during 2016 approved by Board, but proposals for replacement currently "on hold" pending clarity on emerging City Deal governance and resourcing/delivery implications.
					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.	
					Systematic updates to server, laptops and website				Office Manager/IT support	Annual review of IT system capability and renewals through SLA with Perth & Kinross IT	

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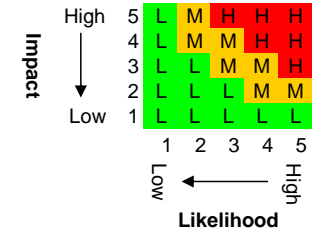
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2.3	Action by Partnership staff, members or partners exposes Partnership to corporate or financial liability	<b>Operational/Financial</b>	5	2	M	Financial Regulations and Scheme of Delegation  Service procurement and monitoring arrangements in place	5	1	L	Director/Treasurer  Director/Treasurer	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	<b>Human Resources</b>	5	4	H	HR procurement arrangements and employment conditions adequate to retain staff and replace individuals if needed  Staff training and development needs reviewed annually	5	4	H	Director/ HR support  Director	Review of Management and staff arrangements designed to ensure continuity of appropriate personnel and experience in response to planned staff turnover approved by Board during 2016/17, but currently "on hold" pending clarification of emerging proposed City Deal governance and related resourcing/delivery implications. New Records Management Plan and systems will assist with business continuity planning.  Review staff training and development requirements moving forward.
2.5	Non compliance with Freedom of information requirements	<b>Legislative</b>	5	3	H	Develop and maintain approved Publication Scheme	5	2	L	Director	Arrangements in place for dealing with FOI requests in compliance with statutory requirements.

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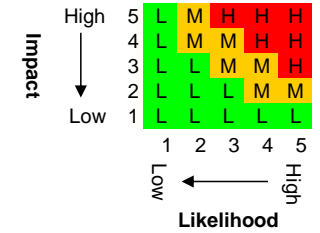
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2.6	Failure to comply with relevant legislation and recognise implications of new legislation	Legislative	5	3	H	Monitoring of reports and recommended actions and relevant statutory changes	5	1	L	Legal Officer/Director	
2.7	Failure to comply with relevant Health & Safety Regulation	Legislative	5	2	M	Written policies covering Health & Safety for staff and Members  Workplace areas assessed and safe working procedures documented for operational areas  Fire safety procedures and recognised First Aider cover in place	5	1	L	Director  Office Manager  Office Manager	

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<b>3 Financial Risks</b>												
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.	
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		