

Audit and Governance Committee Meeting Item 7

Subject: Review of Transport for the North's Updated Risk Management Strategy

Author: Haddy Njie, Risk Manager

Sponsor: Iain Craven, Finance Director

Meeting Date: Friday 20 September 2019

1. Purpose of the Report:

- 1.1 Transport for the North is required to implement a Risk Management Strategy ("RMS"), ensuring ownership and the active management of risk and the reporting of significant risks. It is an essential element of effective corporate governance to develop and embed the RMS. This is particularly important to TfN given the nature of its structure and its focus on programme delivery.
- 1.2 Paragraph 19.1 of Transport for the North's constitution states that Audit and Governance Committee's purpose is to "provide independent review and assurance to members on risk management and control frameworks". Its terms of reference are set out in Paragraph 19.4. Transport for the North has updated its RMS in response to changes in its internal governance arrangements. In addition, TfN has responded to the actions recommended in relation to the RMS arising from the recent internal audit review. TfN is therefore seeking the views upon and approval of the updated Risk Management Strategy.

2. Executive Summary:

- 2.1 The Constitution of Transport for the North requires the adoption and implementation of a Risk Management Strategy, ensuring ownership and the active management of risk and the reporting of significant risks. Paragraph 19.3 of the constitution emphasises the responsibility of the Audit and Governance Committee "to oversee the effectiveness of TfN's risk management arrangements".
- 2.2 The September 2019 Audit and Governance meeting provides an opportunity for the committee as a collective to review the updated RMS.
- 2.3 The RMS outlines TfN's Risk Management Process, methodologies and reporting mechanisms to support the organisation in the identification,

management and reporting of risks internally and through its external governance structures.

- 2.4 The Risk Management Strategy sets out the 2019/2020 risk management approach to support and contribute towards Transport for the North's strategic objectives.

3. Consideration:

- 3.1 Given the importance for TfN to recognise, understand and manage the range of risks that could negatively impact on its ability to achieve the objectives set out in the Business Plan and Strategic Transport Plan (STP), TfN has revised its RMS to:

- Reflect the internal governance changes that has been made since becoming a statutory body in 2018. For instance, TfN's leadership board has been renamed from Senior Management Team (SMT) to Operating Board (OBT).
- Respond to the recommendations from the Internal Audit work that was carried out and finalised in May 2019. This included adding the definition of the risk proximity, which can now be found in risk registers that sit with the programmes and directorates.
- Emphasise within the RMS the linkages to the TfN constitution in respect to risk decision-making and risk reporting to partners and members. Section 4 of the RMS has outlined the risk management responsibilities of the TfN's Finance Director and Operation's Board as set out in the constitution.

- 3.2 Transport for the North's approach to managing risk is set out in its RMS which sets out guidance for how risks are identified, assessed, managed and reported. Each programme and corporate function within Transport for the North has its own risk register with clear reporting and governance arrangements.

4. Conclusion:

- 4.1 The RMS presented has been updated as set out in section 3. This represents an evolution of the Strategy reflecting organisational development and experience and internal audit review.

5. Recommendation:

- 5.1 That the Committee approve the adoption of the revised RMS.

6. Appendices:

- 6.1 See Transport for the North's Risk Management Strategy (RMS)

Required Considerations

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full impact assessment has not been carried out because it is not required for this report.	Haddy Njie	Iain Craven

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because it is not required for this report.	Haddy Njie	Iain Craven

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	Legal and Constitutional issues are set out in the report.	Debbie Dimock	Julie Openshaw

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	Finance Team has confirmed there are no financial implications.	Gareth Sutton	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	HR Team has confirmed there are no resource implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A full impact assessment has not been carried out because it is not required.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because it is not required for this report.	Haddy Njie	Iain Craven