Corporate Risk Register update

Committee   Audit and Standards

Date of meeting 1 December 2017   **Date of report**   7 November 2017

Report by Assistant Chief Executive (Business Support)

1. Object of report

To update the committee on the Corporate Risk Register and mitigations to minimise risk.

2. Background

The Risk Management strategy requires the committee to consider the effectiveness of the Partnership's risk management arrangements.

To assist members a copy of the current Corporate Risk Register, as at November 2017, is provided to the committee (see Appendix 1).

3. Outline of proposals

The Corporate Risk Register is reviewed and updated at strategy group meetings every four weeks. Since the last Audit and Standards committee meeting, there have been no changes made to the risk scores, although close attention continues to be given to SPT 6: Security from the recent heightened security alerts from the UK government and Scottish government.

4. Committee action

The committee is asked to note the contents of this report and the Corporate Risk Register.

5. Consequences

Policy consequences	*As noted in the register*
Legal consequences	*As noted in the register*
Financial consequences	*As noted in the register*
Personnel consequences	*As noted in the register*
Social Inclusion consequences	*As noted in the register*
Risk consequences	*As detailed in the report*

Name Valerie Davidson

Name Gordon Maclennan

Title **Assistant Chief Executive (Business Support)**

Title **Chief Executive**

For further information, please contact Iain McNicol, Audit and Assurance Manager, on 0141 333 3195.

SPT Corporate Risk Register - November 2017

Ref	Risk	Effect	Impact	Likelihood	Score	Mitigation	Fall back plan (what would SPT actually do / has already done?)	Responsible Officer(s)	Review date by Strategy Group	Date of last change	Movement from last change
Type	*Financial*										
SPT1	Capital funding allocation not matched to programme demands	Potential project delays; Project reprioritisation; Loss of reputation and lost opportunities.	4	3	12	Continued dialogue with Scottish Government with regards to funding; Aligning programme and budgets to funding schedules; Effective project delivery, programme management processes, monitoring of expenditure, accounting and budgeting regimes.	Adjust capital programme to known funding availability; Consider alternative funding routes including borrowing to support the programme.	Assistant Chief Executive (Business Support)	07/11/2017	30/01/2017	↓
SPT5	Reduced future Local Authority budget settlements	Reduction in service provision, lost opportunities, potential impact on internal resourcing.	4	5	20	Continued dialogue with constituent authorities; Continuation of ongoing efficiency programme.	Continue to reconfigure processes and services to maximise efficiencies, with particular emphasis on digitalisation; Renegotiate contracts with suppliers. Reprioritise spend.	Assistant Chief Executive (Business Support)	07/11/2017	30/01/2017	↑
SPT11	Current economic conditions impact on SPT's return on cash reserves	Reduction in income leading to impact on budgets and hence services. Brexit implications are unclear.	3	3	9	Strict maintenance of treasury management practices including counter party lists and spread of investments. Proactive review and management of cash balances to maximise return.	Reduce services and staff numbers in line with budgetary reductions; Regular review of SPT's investment portfolio.	Assistant Chief Executive (Business Support) / Director of Finance & HR	07/11/2017	16/08/2016	-
Type	*Operational*										
SPT19	Unplanned disruption of Subway	Potential closure of Subway, loss of business, loss of income, poor press, loss of public support, negative public perception, loss of political backing.	4	3	12	PR, project plans, project management skills and techniques, dialogue with constituent authorities and Scottish Government and customers.	Continue existing Subway operations, investigate failure of project; Inform the public.	Assistant Chief Executive (Operations)	07/11/2017	-	-
SPT20	Failure or disruption to Bus Market	SPT requested to step in to provide services	4	3	12	Dialogue with Operators; Assess alternate delivery models.	Contractually fill gaps in provision; Apply to Scottish Government for additional funding to do so.	Assistant Chief Executive (Operations)	07/11/2017	28/04/2015	↓
SPT9	Arrangements for business continuity in the event of a major interruption may be inadequate (scenario planning makes reference to HMG Risk Register)	Non prevention of avoidable loss, adverse media, injury or death, inability to recover service provision.	3	2	6	Develop, complete and test business continuity plans.	Use buses to replace Subway, re-allocate parking of buses around affected bus stations; send staff home, reallocate staff where possible; Inform the public.	Strategy Group	07/11/2017	-	-
*SPT25	Rolling stock contract is not delivered to budget, time or quality requirements	Unable to deliver reliable service or to customer expectations due to rolling stock or infrastructure performance; Reduced/degraded operation; Undermining of the key business case; Impact on public, government and stakeholder reputation.	5	3	15	Appointment of project delivery team including project controls/governance roles; Appointment of Client technical advisory team (CTA); Appointment of Independent Competent Person service as part of safety verification and validation process; Robust tendering process and appointment of suitable JV contractor; Continued programme challenge and reporting; Development of operational readiness plan; Budget contingency.	Review maintenance and operations plans; Increased inspection, testing and verification; Proactive communication and engagement with stakeholders and public.	Strategy Group	07/11/2017	30/01/2017	-

Appendix 1

SPT Corporate Risk Register - November 2017

Ref	Risk	Effect	Impact	Likelihood	Score	Mitigation	Fall back plan (what would SPT actually do / has already done?)	Responsible Officer(s)	Review date by Strategy Group	Date of last change	Movement from last change
Type	*Physical*										
SPT6	Security - physical protection of staff, assets, information and customers (including Transec issues)	Loss of staff assets or customers; poor publicity.	4	3	12	Training, contingency plans, business continuity, assign responsibilities. Adherence to Transec requirements. Benchmarking with good practice.	Use buses to replace Subway, reallocate parking of buses around all bus stations; SPT actions will be determined by the security and emergency services. Inform the public.	Strategy Group / Operations Managers	07/11/2017	-	-
Type	*Technological*										
SPT7	Prolonged IT failure - Customer critical systems	Damaging PR effects, disgruntled customers, possible health and safety consequences, loss of future custom.	3	3	9	Review of IT ongoing, backups, offsite arrangements.	Revert to paper based work where possible, allocate resource to fix problems. Use previous BACS tapes for payroll and creditors payments.	Assistant Chief Executive (Business Support)	07/11/2017	-	-
	Core internal systems	Subway signalling issues, loss of payroll and creditors, underutilised staff, health and safety issues	3	3	9				07/11/2017		
Type	*Reputational*										
SPT21	Adverse publicity	Brand damage, reputation damage, patronage reduction.	4	3	12	Build PR relationships, media response plan	Counter negative story with SPT view.	Assistant Chief Executive (Business Support)	07/11/2017	27/04/2016	↑
Type	*Governance*										
SPT22	Failure to maintain high standards expected under good governance arrangements	Failure to adhere to good practice, possible external audit scrutiny, loss of management reputation	3	2	6	Adhere to guidelines, inform staff of importance of governance	Review of internal controls. Corrective action.	Assistant Chief Executive (Business Support)	07/11/2017	-	-

*Note: SPT25: this risk may fall into a number of categories.

Risk	*What could cause damage to SPT?*	**Score**	**1 - 6**		**Mitigation**	*What is being done to mitigate this risk?*
Effect	*If it happened what would it do to SPT?*		**7 - 19**		**Fall back plan**	*What do we do if the risk actually materialised?*
Impact	*Impact? from Catastrophic= 5 to negligible = 1*		**20 - 25**			
Likelihood	*Likely? Near future = 5 unlikely = 1*					
Score	*= impact X likelihood*					

Impact	Likelihood	Risk Level
5 - Catastrophic	5 - Almost certain	High
4 - Major	4 - Likely	Moderate
3 - Moderate	3 - Possible	Low
2 - Minor	2 - Unlikely	Very low
1 - Almost none	1 - Rare	Minute

Appendix 1