Board Meeting Paper		
May 15 BM D 2.1		
Purpose of report	☐ Decision[1] ☒ Discussion / debate ☐ Information only[2]	
Sensitive Information?	☐ Yes ☒ No	
If sensitive, protective marking[3]		
Date of Meeting	14 May 2015	
Agenda Item	D 2.1	
Report Title	**Audit Committee risk report**	
Sponsor	Marian Lauder	
Author(s)	Marian Lauder	

transportfocus

1. Summary

This half yearly report to the Board covers those aspects of risk management within the Audit & Risk Assurance Committee's oversight. It is a requirement of its terms of reference that the Committee reports to the Board twice a year.

2. Recommendations for action

This report is for noting only.

3. Serious risk management issues this half year

None identified.

4. Risk issues reviewed

The Committee has reviewed the following aspects of the risk management system this half year:

Element	Owner	Date last reviewed	Comments
Strategic risk register	Anthony Smith on behalf of management team	16 Apr 15	The top corporate risk remains 'continuing to be useful to Government and industry and delivering value for money'. There is broad acknowledgement of the need to maintain a balance between roads work and traditional outputs. Future mitigating actions focus on alternative funding models and maximising events in Cardiff and

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[1] If a decision is required, or you are asking for the paper to be formally noted, please set this out in section 2
[2] If for information only, please make clear in section 1 **why** this information is being provided
[3] ie **OFFICIAL/SENSITIVE**: plus COMMERCIAL / POLICY / MANAGEMENT-STAFF / PERSONAL PROTECT

			Edinburgh. A new risk concerning roads and change, currently graded amber, has helped focus attention on possible actions to derisk these new areas of work. They will be subject to an internal audit in Q4 of this year.

Team risks: **Research Team**	Ian Wright	15 Jan 15	Resourcing is the highest graded risk in the research area, with additional pressure being felt in meeting the roads remit concurrent with NRPS and BPS retender while also seeking headroom to bring innovation to key outputs. This links to the second 'red' risk of 'keeping research outputs up to date'. When this was reviewed by the ARAC it was noted that the risk was also being managed through the SGG. A recent report to the SGG suggests that this risk could materialise if action is not taken to amend the NRPS, therefore this area needs further review by both SGG and ARAC.
Team risks: **Comms Team**	Sara Nelson	15 Jan 15	All risks in the Comms Team are being well managed and mitigating actions are being kept up to date. The risk concerning media visibility has been raised to red in acknowledgement of the inherent risks of rebranding. External communications will be subject to internal audit in Q1 this year.
Team risks: **Change Team**	Vivienne Carter	15 Jan 15	The production of the Change Team risk register has proven to be a valuable exercise though it is accepted that the register is still under development. Three red risks have been identified, covering the impact of roads on other business; the need to ensure the board are fully engaged and added pressure from the Government to provide VFM. The risk register is reviewed monthly and change will be subject to internal audit in Q4.

Team risks for Passenger Team, Passenger Issues Team, CEO Team and Resources Team will be reviewed in June 2015, and will feature as part of the next report to Board.

5. Information Risk
The Committee also keeps a watching brief on information risk issues as it is required to do by IA Standard No 6 (protecting personal data and managing information risk) of HMG Security Policy Framework and compliance with the Freedom of Information Act 2000 and the Data Protection Act 1998. The Senior Information Risk Owner (SIRO) (Jon) provides the Committee with a quarterly report.

Q	Date considered	Issues Comments
3	15 Jan 15	Concern was raised over the contractual difficulties being experienced in carrying out the CRM database cleanse. These have since been resolved and the database cleanse has commenced. One FOI request led to the requirement for an internal review, which was conducted by the SIRO. The applicant asked us to provide a copy of the entire SWT penalty fares scheme, which we do not hold.

| 4 | 16 Apr 15 | The SIRO's annual report to the Accounting Officer and the Board identified risk in the major IT changes planned for the end of May 15. This is being closely managed by the Management Team and information is being provided to all staff through Connect. |
| | | The staff and management are to be congratulated on the effort that went into getting everyone through information risk training before the end of the last reporting year. |

5. New developments / other issues

The risk strategy is now a few years old and in need of review. The ARAC reviewed the existing strategy and deemed it to be largely fit for purpose, subject to it being updated to reflect the roads remit.

6. Overall opinion

The Committee's overall opinion on the management of risk is GREEN.

Core Definitions for Annual and Engagement Opinions

Substantial   Green

The framework of governance, risk management and control is
adequate and effective.

Moderate   Yellow

Some improvements are required to enhance the adequacy and
effectiveness of the framework of governance, risk management and
control.

Limited   Amber

There are significant weaknesses in the framework of governance, risk
management and control such that it could be or could become
inadequate and ineffective.

Unsatisfactory   Red

There are fundamental weaknesses in the framework of governance,
risk management and control such that it is inadequate and ineffective
or is likely to fail.

7. Equalities screen

Sometimes, an equalities impact assessment (EIA) is required for a given report, proposal or project. To help decide whether an EIA is required, a screen must be undertaken based on the information provided above. The screen seeks answers to four questions which are used to determine impact on the protected characteristics – major, minor or none (default). Please choose the correct impact value and, if **major**, link it to an explanation below.

Gender	Age	Sexual orient'n	Disability	Marital status	Political belief	Religious belief	Racial group
1. What is the likely impact on equality of opportunity for those affected by this policy, for each of the Section 75 equality categories?							
None	None	None	None	None	None	None	None
2. Are there opportunities to better promote equality of opportunity for people within the Section 75 equalities categories?							
None	None	None	None	None	None	None	None
3. To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion or racial group?							
					None	None	None
4. Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?							
					None	None	None

*Summary of **major** impacts*

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Conclusion (the board's consideration of this paper may result in a change of conclusion)

Based on the information above, and having regard to the guidance below, the sponsor and author of this paper agree that (√)	
(a) A full equalities impact assessment is **not** required	√
(b) A full equalities impact assessment is **not** required at this time but the impact values above suggest the matter should be kept under view during the lifetime of the project	
(c) A full equalities impact assessment is required and should be completed during the lifetime of the project	
(d) A full equalities impact assessment is required and should be completed immediately	
Please provide a brief explanation of why you have arrived at this conclusion	
The proposal has little no relevance to equality of opportunity or good relations and / or is purely technical in nature and will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.	