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| Board Meeting Paper | |  |
| Nov 16 BM D 2.4 | | |
| Purpose of report | <input type="checkbox"/> Decision ¹ <input checked="" type="checkbox"/> Discussion / debate <input type="checkbox"/> Information only ² | |
| Sensitive Information? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| If sensitive, protective marking³ | | |
| Date of Meeting | | 16 November 2016 |
| Agenda Item | | D 2.4 |
| Report Title | | ARAC risk report for Q2/Q3 2016 |
| Sponsor | | Marian Lauder |
| Author(s) | | Marian Lauder |

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| 1. Summary |
| <p>This half yearly report to the Board covers those aspects of risk management within the Audit and Risk Assurance Committee's oversight. It is a requirement of its terms of reference that the Committee reports to the Board twice a year.</p> |
| 2. Recommendations for action |
| <p>This report is for noting only.</p> |
| 3. Serious risk management issues this half year |
| <p>None identified.</p> |

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| 4. Risk issues reviewed | | | |
| The Committee has reviewed the following aspects of the risk management system this quarter: | | | |
| Element | Owner | Date last reviewed | Comments |
| Strategic Risk Register | Anthony Smith on behalf of the management team | 20 Jul 16 and 21 Oct 16 | <p>It was agreed that the primary risk, remaining useful to government and industry, continued to be relevant, especially given the recent changes in government ministers. It was recognised there was a need to build new relationships with the new ministerial team and then review the risk later in the year.</p> <p>The strategic risk concerning the reduction in DfT funding remained a concern as there was a continuing need to identify additional funding in line</p> |

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

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|----------------|--------------|-----------|--|
| | | | <p>with the agreed principles for new work. There was considerable emphasis on the staff to work smarter and the change programme was helping with this.</p> <p>ARAC have agreed to take a close look at the Stakeholder Strategy at its meeting in Jan 17 to help ensure that it remains relevant and useful.</p> |
| Resources Team | Nigel Holden | 20 Jul 16 | <p>A new risk has been added to the register concerning the risk of business disruption if problems occur over renewal of the lease on Fleetbank House, due 30 Jun 17. This situation is being monitored closely.</p> <p>An emphasis is still being placed on equality and diversity with more staff training anticipated in the current year.</p> |
| CEO Team | Jon Carter | 21 Oct 16 | <p>There remains a risk around CEO team resourcing with the planned reductions in the CEO team. Plans to transfer programme management and business reporting tasks to Manchester have been delayed due to pressure of work in the Manchester office. This has to be resolved by Mar 17.</p> |
| Risk Strategy | Jon Carter | 21 Oct 16 | <p>The risk strategy has been completely reviewed by the CEO team and will be presented to the board in Nov 16. ARAC had a productive discussion over project risk and risk appetite and the strategy will be updated to reflect this and Management Team recommendations.</p> |

Team risks for Communications, Insight and Transport Teams will be reviewed in January 2017, and will feature as part of the next report to Board.

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| Annual fraud and bribery risk assessment | Jon Carter | | To be considered at the January 2017 meeting of the committee. |
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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 |
|---|-----------------|--------------------|
|---|-----------------|--------------------|

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|---|-----------|---|
| 1 | 20 Jul 16 | A second breach of the NRPS pre-release embargo had been reported, this time by Grand Central. The Head of Insight is satisfied that this was accidental and not malicious. A knapsack containing SSG papers was stolen from a member of staff while on the tube. The papers contained pre-release NRPS data. There appear to have been no consequences. Both incidents were reported to the ONS. |
| 1 | 20 Jul 16 | During Q1 there was a relatively high level of FOI and DPA requests, but response times were maintained. |
| 2 | 21 Oct 16 | During Q2 there was a higher than average level of FOI and DPA requests with 2 responses falling outside mandated response times. It is likely that 2 other requests will be referred to the Information Commissioner. |

5. New developments / other issues

Nil

6. Overall opinion

The Committee's overall opinion on the management of risk is set out below.

Substantial (green)



Core Definitions for Annual and Engagement Opinions

Substantial

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

Green



Moderate

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

Yellow



Limited

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

Amber



Unsatisfactory

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.

Red



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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| 3 | |
| 4 | |

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

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| 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 | |
| <p><i>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.</i></p> | |