Board Meeting Paper	
Nov BM D 3.1	
Purpose of report	☐ Decision[1] ☒ Discussion / debate ☐ Information only[2]
Sensitive Information?	☐ Yes ☒ No

If sensitive, protective marking[3]	
Date of Meeting	14/11/2017
Agenda Item	D 3.1
Report Title	**ARARC risk report for Q1&2 2017/18**
Sponsor	Marian Lauder
Author(s)	Marian Lauder

1. Summary

This half yearly report to the Board covers those aspects of risk management within the Audit Risk Assurance and Reumeration 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 the management team	10 Oct 17	The format of the strategic risk register has been changed to one that gives greater prominence to opportunities, which presents a more rounded picture and enables us to demonstrate where we are taking a more adventurous approach to risk. New risks have been included covering the Rail Passenger Ombudsman Scheme and the General Data Protection Regulation. SR2015 and the change programme no longer feature on the strategic risk register.

[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

			After mitigation, the status of 2 risks is still judged to be red: the Rail Passenger Ombudsman Scheme (due to continued uncertainty over the impact on Transport Focus and maximising benefits to passengers) and the SRUS (concerns over on-time implementation). At the May Members' Event Stephen Locke asked why the NRPS did not feature on the strategic risk register. The ARARC discussed this in July and concluded that the risk is being well managed through the Transport Team risk register and that it also has sufficient oversight at the SGG.
Communications Team Risk Register	Hazel Philips	4 Apr 17	Of the 5 risks on the register all are graded amber or green after mitigation. The risk concerning media visibility and credibility prompted most discussion. The ARARC were satisfied to hear that further media training had been conducted and that the 'grid' was proving a useful tool. In discussing the 'public affairs: influencing' risk, ARARC noted the continuing problem of reports queuing for publication. This was being better managed through improved coordination between the insight and communications teams.
Corporate Services Team Risk Register	Nigel Holden	5 Jul 17	The Corporate Services Team register contains 5 risks, all of which are currently judged to be amber after mitigation. A new risk of embedding equality and diversity in the organisation has been added, although there are currently no major concerns. The IT help desk risk was causing some concern as the new company was not achieving the same standard as its predecessor. Other options were being considered. On business premises, ARARC noted that new leases had been signed for both London and Manchester, however this remained a concern for the long term.

Team risks for the Transport Team will be reviewed in Q3 2017, 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**
2	5 Jul 17	Board members should be aware that requests for information under the Freedom of Information Act 2000 and Data Protection Act 1998 continue to generate a high volume of work, with particular problems occurring with one repeat requestor. Some procedural weaknesses have been identified and fixed over recent months.

5. New developments / other issues
Cyber Security. In light of recent ransomware attacks, at its 5 Jul meeting the ARARC held a discussion on cyber security. The committee reviewed a cyber security organisation assessment undertaken in May 17 and was reassured to hear that Transport Focus had generally graded well against each of the items under review. It was noted that Transport Focus had achieved a 'Cyber Essentials' certification. Nigel Holden explained that there was up-to-date security in place through the current IT provider, and that the biggest daily risk is someone clicking on a bad link from an email. A Connect announcement to all staff has been circulated with further information about this risk.
Management Assurance Return 2016/17. The annual Management Assurance exercise mandated by the Department is a somewhat time consuming and bureaucratic exercise. Board members should be aware that the submission is reviewed by the ARARC at its spring meeting. This year some minor amendments were agreed during the review and the cautious approach adopted was endorsed.

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	Amber

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*

1	
2	

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.	