TRANSPORT FOR LONDON

AUDIT COMMITTEE

SUBJECT: STRATEGIC RISK MANAGEMENT PROGRESS

MEETING DATE: 12 MARCH 2008

1   Purpose and decision required

1.1   The purpose of this report is to update the Committee on the overall progress made against the 2007/08 Strategic Risk Management Plan. The Committee is asked to note this report.

2   Background

2.1   The Plan was originally presented to, and noted by, the Committee in June 2007. Whilst there is a range of risk activities included in the Plan, the focus of the effort during the year was towards risk training and awareness. Progress against key elements of the Plan has been regularly reported to the Committee during the year.

3   Overall Progress

3.1   For the two significant training and awareness initiatives undertaken during the year the bulk of the work related in each case to the development phase. Content of the E-Learning Module and the day-long Business Manager Risk Training course was co-developed with a third party training consultancy. All of this development work was completed to schedule and within budget. The first business manager training course was delivered in October, with nine further courses scheduled during this year. Before the Year-end an awareness exercise is to be performed to launch the E-Learning Module to a wide audience across the Group (prior to this its use was limited to attendees on the business manager training). This exercise is the only remaining significant element from this year's plan yet to be completed.

3.2   The current status for all of the planned activities for 2006/07 is reported in the Appendix to this report, along with supporting comments.

4   2008/09 Risk Management Plan

4.1   The 2008/09 Plan is currently being developed. It will include pieces of work intended to further embed risk management within the business. This will involve continued effort on training, improved risk management systems (for example, enhanced functionality and simplified use of ARM, the risk management software) and enhanced reporting. The reporting element of the Plan will build upon the work undertaken to date with Group Business Performance and will establish a framework that links business objectives and outcomes with strategic risks. This will provide an agreed measurement basis for both key performance indicators and risk indicators – benefiting from a common performance / risk language.

4.2   The 2008/09 Risk Management Plan will be presented in full to the June Audit Committee.

5   Equalities and Inclusion

5.1   Risks to the organisation's equality and inclusion objectives have been, and continue to be, assessed as part of the overall strategic risk management process. The risk and mitigation elements are captured in detail as part of the "Quality and quantity of people" strategic risk.

6   Crime and Disorder

6.1   The Revenue collection risk, which has been identified by Chief Officers as a strategic risk, includes as a key element the risk of fraud – particularly in relation to ticket fraud. However, risks relating to crime and disorder are also considered as part of the general governance arrangements – for example, in the project review and approval process.

7   Sustainability

7.1   Sustainability represents one element of the "Project delivery" risk and is assessed at project and programme level. It is also very much a part of the "Effective contract management risk" in the form of the sustainable procurement agenda. From a strategic perspective the risk is currently captured as part of the General Counsel Risk Register. As with other risks at this level, it will be monitored to assess any future need for escalation to the TfL Strategic Register.

8   Recommendation

8.1   The Committee is asked to NOTE the progress made to date on the delivery of the business risk training programme.

Annual Risk Management Plan 2007/08

Work Elements	Status	Comments
Finalize and agree Annual Plan	COMPLETE	
Risk Management Training		
Training ITT Exercise	COMPLETE	
- KRR Training (For newcomers)	COMPLETE	
Course delivered.		
- Business Manager Training - Development	COMPLETE	
- Business Manager Training - Roll-out		
Seven courses have been run, three more are planned.		Further training will be built in to the 2008/09 Plan
Risk Awareness		
Develop content of e-learning module using pilots	COMPLETE	
Establish and implement e-learning module		
Module to be launched Group-wide before Year- end. Final L&D points being addressed.		Final date to be agreed, but all is in place for the launch.
Develop General Awareness initiatives and events and roll-out		
Have agreed strategy with Group Internal Comms for roll-out initiatives.		Awaiting agreement on final date.
Risk Reporting		
Improve and develop Quarterly Reporting		
Continuing development of Directorate risk analysis reports.		
Develop Panel and Committee reporting		
A range of Audit Committee reports and formats have been developed.	ONGOING	

Work Elements	Status	Comments
Integrated Software Solution		
Finalize ARM Roll-out plan	COMPLETE	
To be rolled out as part of training exercise.		
Roll-out initiatives	ONGOING	
Congestion Charging project now in place. Buses Tech Services pilot now commenced.		
Risk Appetite		
Basic approach agreed Chief Officers at Risk Workshop. Further work planned.	ONGOING	
RM Process Development		
Complete work on Partnership Toolkit and develop Group policy on partnership risk		
Toolkit loaded on Source but will be publicised as part of other initiatives in Feb 2008		Awaiting agreement of launch date.
Map strategic risks to TfL objectives		
Develop and implement a range of risk indicators.		
Workshop held with Group Business Performance		Risk / Performance framework targeted to be agreed for Qtr 1 2008/09
Agree process for opportunity identification for use in Business Planning process	COMPLETE	
Opportunity step included in Planning Guidance		