

### <u>Risk Register</u>

## 1. INTRODUCTION

1.1 The purpose of this report is to provide the Performance and Audit Committee with its six-monthly update on SEStran's risk register.

### 2. BACKGROUND

- 2.1 The Performance and Audit Committee, at its meeting in November 2021 approved the <u>SEStran Risk Management Framework Policy</u> This policy supports the management of the overall risk process within the organisation, including its governance arrangements.
- 2.3 The latest version of the risk register can be found at **Appendix 1** of this report.

## 3. MAIN REPORT

3.1 The Committee should note that all changes made to the register are highlighted in red. Key changes made to the register since the last update are as follows:

# **NEW RISKS**

### 3.1.1 R001 (1.4) Strategic – Political/Govt Change

There is a risk that a change in political party and government could result in changes being made to regional governance and RTPs. The net score has been calculated as medium and sits within the risk appetite score of low to medium and will be tolerated. However, mitigating measures will be followed, including regular engagement with political parties and agencies, and the prioritisation of the Develop to Deliver report.

### 3.1.2 **R007 (7.0) Specific Operational – People and Place Programme**

This risk has been developed to address any changes to funding of the People and Place Programme, resulting in the end of regional administration beyond this financial year. The net score is medium and is within the appetite range and will be tolerated. Mitigations will include regular engagement with Transport Scotland and providing evidence of the efficacy of a regional approach.

### 3.1.3 R009 (9.4) People – Climate Change

As climate change is having more adverse affects on the weather, there is a risk that staff are unable to access the office. Whilst the risk is low, there are a number of mitigating measures in place to minimise the impact. These include keeping policies under regular review and regular staff engagement.

# KEY UPDATES

#### 3.1.4 R001 (1.1) Strategic - Regional Governance

The risk has been updated to include planned response details on RTP joint working provisions, including the refreshed Develop to Deliver report, which has now been submitted to Transport Scotland. They have agreed to restart the regional governance review and a group will be set up with representation from RTPs, Cosla and TS.

The risk appetite score for this risk is low to medium. All mitigating actions are being taken to manage the risk but it remains high.

#### 3.1.5 R003 (3.1) Reputational - Reputation

This risk details the consequences of any poor regard or misrepresentation of SEStran by the public or media. It has been updated with more robust mitigating measures.

The net risk score is low with a risk appetite score of low to medium and will be tolerated.

#### 3.1.6 **R003 (3.2) Reputational – Project Management**

This risks outlines the implications of potential third party supplier insolvency.

The net risk score has been calculated as medium, whilst the risk appetite score is rated as low to medium. Additional actions after mitigation have been included to treat the risk, including the contuining use of framework contracts and a refreshed set of procurement documents which will be presented to the Partnership Board for approval.

#### 4. **RECOMMENDATIONS**

- 4.1 The Committee is asked to comment on the contents of the report, and;
- 4.2 To note that a final version of the Risk Register will be referred to the

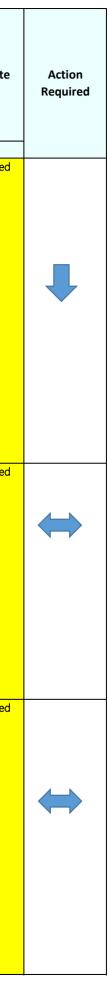
Partnership Board for noting;

Angela Chambers **Business Manager** 1 June 2024

### Appendix 1: SEStran Risk Register

Policy Implications	Policies have been reviewed and updated.
Financial Implications	As highlighted in the register.
Equalities Implications	None
Climate Change Implications	None

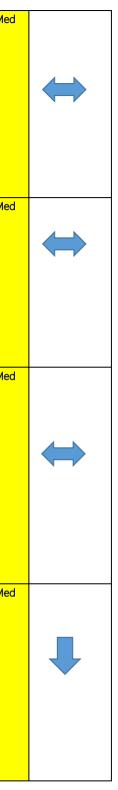
Risk Number	Risk Category	Risk Detail		Gros	s Risk	Asses	sment	t	Planned Response/Mitigation		Ne	t Risk	Asses	sment	t	Risk After Mitigation	Date and Owner	Risk A	ppetite
<b>R001</b> 1.1	Strategic	Regional Governance Transport Scotland review of regional transport governance arrangements could result in changes to functions of RTPs. This could present either a risk or an opportunity to SEStran.	4 <b>Prob</b>	Probable Probable	4	Major	Risk 16	Score H <sup>gi</sup> H	SG has paused the NTS2 WG review of regional governance arrangements, but RTPs are- working together to persuade SG to re-start the review The joint RTPs are finalising a- refreshed Develop to Deliver report- which will submitted to SG by the end of the calendar year. The joint RTPs have submitted a refreshed Develop to Deliver report to TS. This report will also be submitted to Cosla. TS have now agreed to restart the review of regional governance and a group will be set up, including RTPs, Cosla and TS.	4	Probable	4	Major	<b>Ris</b>	k Score କୁଞ୍ଚମ	High Treat (because mitigations are ongoing)	Review at end of Dec 2024 Partnership Director	Low	Med
<b>R001</b> 1.2	Strategic	Regional Governance Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	4	Probable	3	Possible	12	Medium	Joint working group created- between SEStran and ESESCRD- members to agree working- arrangements As a result of the joint working- group A Concordat has been agreed between SEStran and the ESESCRD, commiting to working together in an open and transparent matter to jointly support land use planning and economic growth across the region.	2	Unlikely	3	Moderate	9	Medium	Medium Tolerate	Review at end of Dec 2024 Partnership Director	Low	Med
<b>RO01</b> 1.3	Strategic	Pandemic / Epidemic: Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding.	3	Possible	4	Major	12	Medium	Adhere to Government restrictions, rules or guidance. Regular communication with Transport Scotland and consituent councils officials to guide any operational changes. Ensure that all staff are trained on the Business Continuity Plan, and that it is reviewed regularly. Maintain current functions that can be delivered within working guidance. Working from home arrangements now tried, tested and effective.	3	Possible	3	Moderate	9	Medium	Medium An ongoing risk-remains for future spikes of Covid-19 or other kinds of disease outbreaks Working from home- arrangements now tried and- tested and effective. Tolerate	Review at end of Dec 2024 Partnership Director	Low	Med



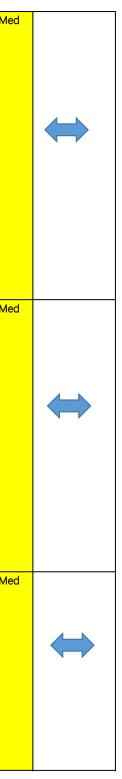
<b>RO01</b> 1.4	Strategic	Political/Govt Change There is a risk that a change in government could lead to changes to RTPs/Regional Governance	3	Possible	4	Major	12	Medium	Continued engagement with all political parties and agencies. Ensure dialogue on the Develop to Deliver report is prioritised	3	Possible	3	Moderate	9	Medium	Medium An ongoing risk remains Tolerate	Review at end of Dec 2024 Partnership Director	Low	Me
<b>R002</b> 2.0	Financial	Financial: Significant deviation from budgeted spend	2	Unlikely	3	Moderate	6	Low	The Financial Rules do not permit spending (whether revenue or capital) to exceed available budget. Budget and spend is monitored on a monthly basis by SEStran officers, using financial information provided by CEC through the Partnership's Financial Services Service Level Agreement with CEC and supported by qualified accounting staff of CEC. Action is taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership. The Partnership's Financial performances to the Partnership Board on a quarterly basis. Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.	1	Remote	2	Minor	2	Low	Low Transport (Scotland) Act 2019- includes section on RTPs carrying- reserves. Tolerate	November 202 <del>34</del> Partnership Director	Low	Me
<b>R002</b> 2.1	Financial	The approved budget for 2024/25 <del>2023/24</del> makes provision for a pay award of up to 3%.	5	Highly Probable	3	Moderate	15	High	Prudent planning assumption with ongoing monitoring of public sector pay negotiations. Ongoing monitoring and review of all costs and forecasts during 2024/25 <del>2023/24</del> . Costs will be aligned with COSLA pay offer.	4	Probable	3	Moderate	12	Medium	Medium Ongoing monitoring and review or all costs and forecasts during 2023/24. Costs will be aligned- with COSLA pay offer. Tolerate	November 2024 2023 Partnership Director	Low	Me



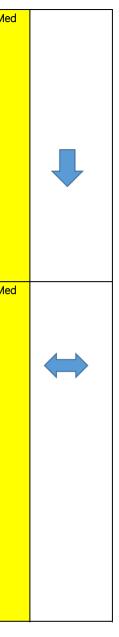
<b>R002</b> 2.2	Financial	Staff recharges - externally funded projects: The approved budget assumes no that- £4,000 of staff time will can be recharged to Projects. There is a- risk this may not be-	3	Possible	3	Moderate	9	Medium	Any shortfall in employee cost recharges will be offset by a- corresponding reduction in Projects- Budget expenditure. Other funding sources will continue to be pursued.	3	Possible	3	Moderate	9	Medium	Medium Other funding sources will- continue to be pursued. Tolerate	November 2024 <del>2023</del> - Partnership Director	Low	Med
<b>R002</b> 2.3	Financial	achievable. Inflation: There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	4	Probable	4	Major	16	High	When setting the revenue budget, allowance was made for specific known price inflation. Budgets adjusted in line with current cost forecasts. Ongoing monitoring and review of all costs and forecasts during 2024/25 <del>2023/24</del> .	4	Probable	3	Moderate	12	Medium	Medium Ongoing monitoring and review of all costs and forecasts during 2023/24. Tolerate	Partnership Director	Low	Med
<b>R002</b> 2.4	Financial	Delays in payment of external grants results in additional short-term borrowing costs.	3	Possible	3	Moderate	9	Medium	SEStran grant claims for projects are submitted in compliance with grant funding requirements to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs. Grant submission procedures in place, along with financial planning.	3	Possible	3	Moderate	9	Medium	Medium Grant submission procedures in place, along with financial- planning. Tolerate	November 2023 Partnership Director	Low	Mec
<b>R002</b> 2.5	Financial	Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.	4	Probable	4	Major	16	High	Revenue budget for 2024/25 2023/24 developed to take account of most likely level of external income in 2024/25-2023/24. Budget confirmed for 2024/25 2023/24 Continue to explore alternative funding options Lobby/bid for additional funds	3	Possible	4	Major	12	Medium	Medium Continue to explore alternative- funding options Lobby/bid for additional funds Treat	Review at end Dec 2024 Partnership Director	Low	Mec



<b>R002</b> 2.6	Financial	Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.	3	Possible	4	Major	12	Medium	The Partnership will continue to source and develop external funding. Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding. Engagement/advocating with SG/TS to maintain/increase funding Working with other RTPs to influence SG review of allocation of funding	3	Possible	4	Major	12	Medium	Medium Manage organisation in- accordance with available funding but ability of organisation to- deliver RTS objectives will- inevitably be dictated by available funding. Engagement/advocating with- SG/TS to maintain/increase- funding Working with other RTPs to- influence SG review of allocation- of funding Tolerate	June 2024 Partnership Director	Low	Me
<b>R002</b> 2.7	Financial	The funding position of the staff pension fund could lead to increases in the employers pension contribution	4	Probable	3	Moderate	12	Medium	Following the Lothian Pension Fund Triennial Acturial Review of 2023 2020, Partnership contribution rates have been advised until 2026/27 2023/24. Planning assumptions have been updated and included in the revenue budget 2024/25 2023/24 and indicative budget for 2025/26 2024/25- reported to the Partnership Board on 15th March 2024 17th March- 2023. The outcome of the Triennial- Actuarial Review of 2023 will be included in the revenue budget for- 2024/25.	4	Probable	3	Moderate	12	Medium	Medium Tolerate	November 2024 2023 Partnership Director	Low	Me
<b>R002</b> 2.8	Financial	Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs	3	Possible	4	Major	12	Medium	The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources. Recruitment control measures in place. Additional resources can be managed through consultancy as required. People and Place Programme has increased financial flexibilty.	2	Unlikely	4	Major	8	Medium	Medium Other funding sources will- continue to be pursued. Tolerate	Review at end of Dec 2024 Partnership Director	Low	Me



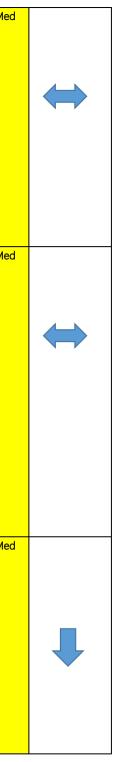
<b>R002</b> 2.9	Financial	Funding/Grant Awards: The timing of some funding applications and grant awards do not align with the financial year, resulting in an inability to spend allocated funding within prescribed timescales	4	Probable	3	Moderate	12	Medium	The Partnership will seek to introduce a number of suitable on the shelf schemes Regular budget monitoring and reports to the Partnership Board.	3	Possible	3	Moderate	9	Medium	Medium Regular budget monitoring and- reports to the Partnership Board. Treat	September 2024 Partnership Director	Low	Mec
<b>R003</b> 3.0	Reputational	Project Management: Project incomplete or of poor quality Late Delivery	3	Possible	4	Major	12	Medium	All project progress reported to the Projects Team monthly- and the P&A Committee quarterly. Management action taken as required Regular monitoring and management/project team meetings provides all across the organisation with a clear view of progress and expenditure against- budget. Regular reports presented to the Partnership Board, which have been revised to provide focused monitoring template. Weekly projects staff team meeting to be reinstated with Partnership Director in attendance.	2	Unlikely	3	Moderate	6	Low	Low Regular reports presented to the Partnership Board, which have been revised to provide focused monitoring template. Weekly projects staff team meeting to be reinstated with Partnership Director in- attendance. Tolerate	Review at end Dec 2024 Programmes Manager	Low	Mec



	Reputation: Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position	3	Possible	3	Moderate	9	Medium	Good relationships with media. Quick response to negative or inaccurate coverage. Proactive profile and reputation management via social media, website and press releases. Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking Continue to work closely with regional partners Board members regulary updated on SEStran work successes and issues. Agreed approach to media position set out in Standing Orders. Availability of Spokesperson – Senior staff only. No unauthorised media statements.	2	Unlikely	3	Moderate	6	Low	Low Partnership staff and Board Members continue to promote- and advocate activities via- speaking, writing or wider- networking Continue to work closely with- regional partners Tolerate	Review at end of Dec 2024 Partnership Director	Low	Med
R003 3.2	Project Management: Potential insolvency of 3rd party supplier	3	Possible	4	Major	12	Medium	Improved supplier viability checks before award, renewal or modification of contracts or grants to be introduced by January 2024. Individual risks and mitigations to be developed for any contract or grant over an agreed threshhold. Where appropriate, Government frameworks will be utilised. Full review of procurement procedures to be carried out by is nearing completion by Legal Advisers. An updated set of Contract Standing Orders will be presented to the June meeting of the Partnership Board for approval. Legal Advisers to provide staff training on new procedures.	2	Unlikely	4	Major	8	Medium	Medium Full review of procurement- procedures to be carried out by is nearing completion by Legal- Advisers. An updated set of Contract- Standing Orders will be presented to the June meeting of the- Partnership Board for approval. Legal Advisers to provide staff- training on new procedures. Treat	Partnership Director	Low	Med



<b>R005</b> 5.0	External	Third party Service Level Agreements: Failure or inadequacy of service	2	Unlikely	2	Minor	4	Low	Service Level Agreements in place for Financial Services, HR and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny. Action: Progress renewals of SLA's to secure continuity of services Cross RTP discussion exploring viability of introducing shared services	2	Unlikely	2	Minor	4	Low	Low Cross RTP discussion exploring- viability of introducing shared- services Tolerate	January May August 2024 Partnership Director	Low	Med
<b>R005</b> 5.1	External	Contract Management: Failure to manage contracts leads to under performance and failure to obtain best value and delivery from contractual relationship.	3	Possible	4	Major	12	Medium	Conditions of contract are being reviewed, including Contract Standing Orders and Procurement Strategy Ensure contract documentation sound and up to date. Apply adequate supervision to the contract. Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review.	2	Unlikely	3	Moderate	6	Low	Low Business propriety/credit/analytic criteria to be written in to- documentation Contract management process to- be included as part of full procurement review. Tolerate	January September 2024 Partnership Director	Low	Med
<b>R005</b> 5.2	External	<b>Grants:</b> Failure to adhere to grant conditions could result in grants being withheld or reclaimed, impacting the SEStran budget		Probable	4	Major	16	High	Develop processes to ensure that grant conditions are understood before application is submitted, that relevant team members are briefed on grant conditions, and that adequate controls are in place to ensure that all steps and approvals are documented. Also refer to risk 2.9. Successful management of risk 5.2, reduces likliehood of risk 2.9	2	Unlikely	4	Major	8	Medium	Medium Also refer to risk 2.9. Successful management of risk 5.2, reduces likliehood of risk 2.9 Treat	March 20245 Partnership Director	Low	Me



<b>R006</b> 6.0	Legal and Regulatory	Statutory Duties: Failure to adhere to duties described in legislation and related documentation	1	Remote	4	Major	4	Low	Board members regulary updated on SEStran work successes and issues. Ongoing liaison with Transport Scotland and relevant governing bodies. Regular liaison with Auditors. Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties.	1	Remote	2	Minor	2	Low	Low Regular monitoring and programming of statutory duties- is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties. Tolerate	Review at end Dec 2024 Partnership Director	Low	Lov
<b>R007</b> 7.0	Specific Operational	People and Place Plan: Funding changes result in programme not continuing regionally beyond 2024-25.	3	Possible	3	Moderate	9	Medium	Engage regularly with Transport Scotland. Ensure outcomes and outputs from the programme delivery are captured to evidence efficacy of regional approach.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	March 2025 Programme Manager	Low	Ме
<b>R008</b> 8.0	System and Technology	<b>Digital/IT:</b> Server failure Comms failure Website breach Resulting in loss of service to business operations	3	Possible	4	Major	12	Medium	Regular review of the Management Plan for Business Continuity. IT/Website maintained under contract. Both proactively managed by third parties. IT hardware/software/licences upgraded at regular intervals. Contracted IT consultants deliver IT services. Website contract includes security updates. Robust Information Security Policy in place with regular monitoring reports. GDPR compliant and Cyber Essentials Plus Accreditation maintained.	1	Remote	4	Major	4	Pow	Low Contracted IT consultants deliver- IT services. Website contract- includes security updates. Robust Information Security Policy in- place with regular monitoring reports. GDPR compliant and Cyber Essentials Plus- Accreditation maintained. Tolerate	Ongoing Business Manager	Low	Me



#### Appendix 1

<b>R009</b> 9.0	People	HR: Non-compliance with emloyment and/or data privacy laws may result in poor repuation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties		Possible	3	Moderate	9	Medium	SLA in place until May 20245with Falkirk Council to provide specialist HR advice as required and is under regular review. Legal advice is provided, when required, through a framework contract, which is in place until August 2024 Retendering for Legal Services contract to commence shortly, utilising SG Framework Contacts.	1	Remote	3	Moderate	3	Low	Low Tolerate	Review at end Dec 2024 Partnership Director	Low	Low
<b>R009</b> 9.1	People	Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.	3	Possible	4	Major	12	(1)	Regular review of appropriate policies. Carry out appropriate assessments of office equipment and working arrangements, following landlords guidance in relation to access to the office. Risk Management Framework approved by P&A Committee. Liaise with HR Adviser, SG facilities team. Hybrid Working Policy implemented to facilitate transition arrangements to normal working arrangements. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.	2	Unlikely	3	Moderate	6	Low	Low An ongoing risk remains for- future pandemics and future- widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice. Tolerate	Review at end Dec 2024 Partnership Director (Subject to SG advice)	Low	Lov



<b>R009</b> 9.2	People	Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.	3	Possible	4	Major	12	Medium	Appropriate policies are reviewed and updated. Risk assessments of staff personal home working arrangements have been completed and will be subject to regular review. Risk Management Framework approved-by P&A Committee. Business Continuity Plan reviewed. Liaise with HR Adviser. Review transition arrangements to normal working arrangements at appropriate time. Hybrid Working Policy implemented and working well. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice and legislation.	2	Unlikely	3	Moderate	6	Low	Low An ongoing risk-remains for- future pandemics and future- widespread disease or other- outbreaks. Measures will be- adjusted in accordance with- government advice and- legislation. Tolerate	Review at end Dec 2024 Partnership Director (Subject to SG advice)	Low	Lov
<b>R009</b> 9.3	People	Loss of key personnel may lead to inability to deliver strategy and projects.	3	Possible	3	Moderate	9	Medium	Recruitment strategy. Development of existing staff through performance appraisal. Staff training Specialist HR recruitment consultancy. Work programme will be monitored and redistributed as necessary. Recruitment exercise complete and full staff complement in place. <del>by</del> - 20 Nov 2023.	3	Possible	1	Insignificant	3	Low	Low Work programme will be- monitored and redistributed as- necessary. Recruitment exercise complete- and full staff complement in place by 20 Nov 2023. Tolerate	Review at end Dec 2024 Partnership Director	Low	Lov
<b>R009</b> 9.4	People	Climate Change Staff are unable to access the office more frequently due to increase in adverse weather events.	3	Possible	3	Moderate	9	Medium	Home working policy in place and procedures for inability to access the office outlined in the SEStran Business Continuity Plan (Jan 2024). Train team in BCP, and review regularly. Regular staff wellbeing meetings.	3	Possible	2	Minor	6	Low	Low Tolerate	Review at end Dec 2024 Partnership Director	Low	Lo



Risk Number	Risk Detail	Risk Category			-	Assess			Planned Response/Mitigation				Assessr			Risk After Mitigation/Appetite for Risk	Date and Owner			
	Restricted ability to undertake RTS re-write: Inadequate senior staff resourcing available due to continued absence of Partnership Director	Strategic	4	Probable Probable	Im 3	Moderate to	Risk 12	Medium	Resolve absence as soon as possible and appoint external resources as required.	Prob 2	Unlikely Unlikely	2	Minor	Risk 4	Score 3	Partnership Director appointed May 2019. Funds identified for RTS re- write	June 2019 CLOSED			
	Accommodation: Occupancy Agreeement with SG due for renewal February 2019. SG may not renew and alternative premises required at market rates.	Financial	3	Possible	3	Moderate	9	Medium	A notice period of 12 months must be served by each party under the current occupancy agreement. Occupancy Agreement renewed until February 2022.	3	Possible	3	Moderate	9	Medium		June 2019 CLOSED			
	ECOMM: Agreement to commit to ECOMM on the basis of being cost neutral. Income depends on number of delegates attending conference.	Financial	3	Possible	3	Moderate	9	Medium	SEStran withdrew offer to host ECOMM due to uncertaintity over Brexit and subsequent impact on attendance at the conference.	3	Possible	2	Minor	6	Low		June 2019 CLOSED			
	Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer.	4	Probable	3	Moderate	12	Medium	Medium Tolerate: Adapt expenditure accordingly Currently involved in 5 EU projects, the completion of which are underwritten by the UK Treasury.	June 2021 CLOSED			
	Governance: Succession Planning Business Continuity	Governance	3	Possible	3	Moderate	9	Medium	Governance Scheme contains adequate provision to deal with senior officer absence. Staff structure and Business Continuity Plan in place. Senior Partnership Manager appointed.	2	Unlikely	2	Minor	4	Low	Low Tolerate	CLOSED Partnership Director			
	Policy Appraisal: Poor Quality Lack of consultation	Strategic	1	Remote	3	Moderate	3	Low	Advised by Government of relevant policy changes and Partnership Director and Officers regularly looking out for further policies and responding accordingly. Consultative forums also enable greater visibility and integration of local policies into regional strategy. Make full use of online consultancy options.	1	Remote	2	Minor	2	Low	Low. Partnership staff also continue to monitor their networks for relevant policy discussions. Draft RTS approved for statutory consultation. Tolerate	CLOSED Partnership Director	Low	Med	+
	Regional Transport Strategy: Introduction of new RTS. Delay in approval by ministers. Delayed introduction of the new strategy.	Strategic	3	Possible	2	Minor	6	Low	Regular comms with Transport Scotland at all stages in the development of the RTS.	1	Remote	2	Minor	2	Low	Low Tolerate	28 March 2023 Jim Stewart CLOSED	Low	Med	+
	Newly Appointed Board. Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office.	Governance	3	Possible	3	Moderate	9	Medium	Ensure that full training and support is provided to the new Board in 2022 to enable strategic decisons to be made. A Regular schedule of meetings of the Succession Planning Committee.	2	Unlikely	2	Minor	4	Low	Low Skills audit will identify future training requirements Option to appoint Board Observers to supplement areas of expertise Partnership Director 1:1 meetings with Board Members Tolerate	Ongoing Partnership Director CLOSED	Low	Med	+
	Other Funding Sources: Reduced access to EU project funding and lack of replacement funding from UK Government	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership has sought to engage in as many relevant EU projects and funds as it can whilst UK authorities are allowed to access these funds. This should mitigate the short-term impact of any EU Exit negotiated and implemented. The Partnership has a proven track record in securing funding for relevant projects from the UK and other partners. It is anticipated that this will continue. Horizon projects being pursued.	5	Highly Probable	2	Minor	10	Medium	Medium: The risk remains as there is significant uncertainty around the immediate and medium (3- Syear) horizon for access to funds. Other funding applications will be made when available. There has been no confirmation from UK Government on participation in EU funded programmes, like Horizon. Advocate for access to UK replacement funds. Explore further ongoing calls for Horizon programme when available. <b>Treat</b>	CLOSED Partnership Director	Low	Med	₽

Ref	Type of Risk	Description	Impact
R001	Strategic	Inability to design and / or implement a strategic plan or strategy for SEStran.	Lack of clarity regarding future direction and structure of SEStran impacting quality and alignment of strategic decisions
R002 I	Financial	Inability to perform financial planning; deliver an annual balanced budget; manage cash flows; and confirm ongoing adequacy of reserves	SEStran is unable to continue to deliver in line with strategic objectives; inability to meet financial targets; adverse external audit opinion; adverse reputational consequences
R003 I	Reputational	Adverse publicity because of decisions taken and / or inappropriate provision of sensitive strategic, commercial and / or operational information to external parties	Significant adverse impact to SEStran's reputation in the public domain
R004 (	Governance	Inability of management and members to effectively manage and scrutinise performance, and take appropriate strategic, financial and operational decisions	Poor performance is not identified, and decisions are not aligned with strategic direction
R005 I	External	Inability to effectively manage SEStran's most significant supplier and partnership relationships	Inability to deliver strategy and major projects within budget and achieve best value
8006	Legal / regulatory	Delivery of services and decisions are not aligned with applicable legal and regulatory requirements	Regulatory censure and penalties; legal claims; financial consequences
R007	Specific Operational	Inability to deliver projects and programmes effectively, on time and within budget	Inability to deliver projects; achieve service improvements; and deliver savings targets
	System and technology	Potential failure of cyber defences; network security; application security; and physical security and operational arrangements	Inability to use systems to support services; loss of data and information; regulatory and legislative breaches; and reputational consequences
R009 I	People	Employees and / or citizens suffer unnecessary injury and / or harm	Legal; financial; and reputational consequences
R010 I	New Project Income	Inability to attract new projects to fill the funding gap left by diminishing EU projects/Brexit	Inadequate funding streams and lack of innovation.

<u>Risk</u>	Impact					
	Likelihood		Severity	Risk Score		
1	Remote	1	Insignificant	1		
2	Unlikely	2	Minor	2		
3	Possible	3	Moderate	3		
4	Probable	4	Major	4	Low Ris	
5	Highly Probable	5	Catastrophic	5		

Medium Risk

High Risk

At Risk			Imp	act		Impact						
Strategic	Descriptor	Score	Health and Safety Impact	Impact on Service and Reputation			5	10	15	20	25	
Financial	Insignificant	1	No injury or no apparent injury.	No impact on service or reputation. Complaint unlikely, litigation risk remote.	Loss/costs up to £5000.	Major	4	8	12	16	20	
Reputational	Minor	2	Minor injury (First Aid on Site)	Slight impact on service and/or reputation. Complaint possible. Litigation possible.	putation. Complaint possible. Litigation and £50,000		3	6	9	12	15	
System and Technology	Moderate	3	Reportable injury	Some service distruption. Potential for adverse publicity, avoidable with careful handling. Complaint expected. Litigation probable.		Minor	2	4	6	8	10	
Governance	Major injury (reportable) or avoidable		Service disrupted. Adverse publicity not avoidable (local media). Complaint expected. Litigation expected.	Loss/costs between £500,000 and £5,000,000.	Insignificant	1	2	3	4	5		
Specific OperationalCatastrophic5DeathAdverse publicity not media interest.) Majo Resignation of senior		Service interrupted for significant time. Adverse publicity not avoidable (national media interest.) Major litigation expected. Resignation of senior management/directors.	Theft/loss over £5,000,000	Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable			
External			•				•	•		•		
Legal and Regulatory												
People	Descriptor	Score	Example									
New Project Income	Remote	1	May only occur in exeptional circumstances.									

	Like	lihood
Descriptor	Score	Example
Remote	1	May only occur in exeptional circumstances.
Unlikely	2	Expected to occur in a few circumstances.
Possible	3	Expected to occur in some circumstances.
Probable	4	Expected to occur in many circumstances.
Highly Probable	5	Expected to occur frequently and in most circumstances.

	People
New	Project I

	Like	lihood
Descriptor	Score	Example
Domoto	1	May only occur in exeption
Remote	I	circumstances.
Liplikoly	2	Expected to occur in a few
Unlikely	2	circumstances.
Possible	3	Expected to occur in some
POSSIDIE	3	circumstances.
Probable		Expected to occur in many
Probable	4	circumstances.
Highly	F	Expected to occur frequen

# <u>Risk Appetite</u>

Risk Rating	Net Risk Assessment	Risk Appetite Response
High	15-25	Unacceptable level of risk exposure which requires action to be taken urgently.
Medium	/-14	Acceptable level of risk but one which requires action and active monitoring to ensure risk exposure is reduced
Low	1-6	Acceptable level of risk based on the operation of normal controls. In some cases, it may be acceptable for no mitigating action to be taken.

# <u>Risk Response</u>

There are four categories of risk response:

*Terminate:* risk avoidance – where the proposed activity is outwith the current risk appetite level;

Treat: risk reduction – where proactive action is taken to reduce the likelihood or impact of an event occurring or limiting the consequences should it occur

*Transfer:* risk transfer – where the liability for the consequences is transferred to an external organisation in full or part (e.g. insurance cover)

*Tolerate:* where certain risks are accepted

# Risk Appetite Target Scores

Risk Description	From	То	Commentary
Strategic	Low	Medium	SEStran has a low to medium appetite in relation to its strategic risks and aims to ensure effective delivery of its commagreed timescales. Strategic delivery is monitored through ongoing reporting processes and governance processes.
Financial	Low	Medium	<ul> <li>SEStran has a low to medium appetite in relation to financial risk and may be prepared to accept some risk, subject to</li> <li>setting and achieving an annual balanced revenue budget, in line with legislative requirements</li> <li>maintaining an unallocated general reserve fund, in line with legislative requirements</li> <li>Financial risk is set out in SEStran's Governance Scheme.</li> </ul>
Reputational	Low	Medium	SEStran is prepared to tolerate a low to medium level of occasional isolated reputational damage. Media response protocols are set out in the Governance Scheme.
System and Technology	Low	Medium	SEStran has a low to medium appetite in relation to system and technology risk. The risk appetite will vary depending on the nature, significance and criticality of systems used, and the services they a Risks are managed through ongoing use of inbuilt technology, security controls, encryption, data loss prevention, fire vulnerability scanning, plus a range of security protocols and procedures. SEStran has achieved Cyber Essentials Plus accreditation.
Governance	Low	Low	SEStran has a low appetite in relation to governance and decision making. The partnership's governance arrangements are detailed in the Governance Scheme. No officer or member may knowingly take or recommend decisions or actions which breach legislation.
Specific Operational Low N		Medium	SEStran has a low to medium appetite in relation to specific operational risks. The Partnership Director and Management Team are expected to design, implement and maintain appropriate progr management and governance controls to manage these risks.
External (Suppliers/contractors/partnerships)	Low	Medium	SEStran has a low to medium appetite in relation to external risks. The appetite will vary depending on the criticality of party support. SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Cont frameworks.
Legal and Regulatory	Low	Low	SEStran aims to fully comply with all applicable regulatory and legislative requirements. No officer or member may knowingly take or recommend decisions or actions which breach the law.
People	Low	Low	SEStran recognises that accidents can occur because of unknown and/or unplanned events and has an appetite to fu relevant health and safety requirements to minimise any health and safety risks that could potentially result in loss of l
New Project Income	Medium	High	SEStran has a medium to high appetite in relation to attracting new projects to enable innovation and attract new fun SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Cont frameworks. Financial risk is set out in SEStran's Governance Scheme.

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to:
y support. rewalls and
gramme, project
of the service or third-
ntract Scotland
fully comply with all of life or injury.

funding streams. Intract Scotland