

**TRANSPORT FOR LONDON**

**AUDIT COMMITTEE**

**SUBJECT: STRATEGIC RISK MANAGEMENT PROGRESS REPORT**

**DATE: 25 NOVEMBER 2008**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 The purpose of this paper is to update the Audit Committee on progress with the ongoing development of TfL's risk management process and general risk arrangements. The Committee is asked to note the report.

**2 BACKGROUND**

- 2.1 The overall Risk Management Plan for 2008/09 was approved at the June Audit Committee meeting. Certain elements of the Plan are currently work-in-progress. In particular TfL is working to develop improved reporting content and performance measures. The aim is to produce strategic risk indicators aligned to TfL objectives. TfL is also developing a range of reports that will enable it to monitor the quality of the risk data held across the business. The Committee will be updated on these process developments at future meetings and as part of a full analysis of the delivery of the Plan at the end of the year. Highlighted below are some recent developments.

**3 CORPORATE RISK MANAGEMENT PROCESS**

**Risk Management Training**

- 3.1 The risk management training programme has now been running for a full year. To date we have had 125 attendees on our one-day Business Manager Risk courses. Attendees are encouraged to "cascade" the learning points from the course back to their own staff. The latest tranche of these courses recommenced in October. Currently these courses are run and administered through our third-party training partner.
- 3.2 The E-Learning Risk module continues to attract a steady flow of participants since its launch in May this year. It is planned to refresh and update the content of the module in Quarter 4 and undertake another publicity exercise to stimulate further interest.

## **Risk Management Software**

- 3.3 TfL has now completed an exercise intended to simplify and streamline the input screens for its Active Risk Management (ARM) software. The intention is that a more simplified, user-friendly system will encourage greater usage of the system across the Group. Fewer input fields should also help to ensure that all aspects of the risk data – from risk description to mitigation details – are comprehensively completed by users.

## **Business Support and Advice**

- 3.4 In addition to development of the risk management processes, TfL continues to offer advice and guidance to business managers on risk identification and good practice. Recent examples of workshops include Records Management and Borough Programmes. We have also taken the opportunity of inputting to other risk forums instigated by the business, including the Surface Transport Strategic Risk Management Workshop.

## **4 MODAL RISK DEVELOPMENTS**

### **Surface Transport**

- 4.1 The risk processes in the mode continue to develop well. Quarterly reporting arrangements now involve the full risk map and risk register being circulated to all directorates.
- 4.2 Arrangements are also being implemented to enable the Surface Project Management Office Team readily to analyse and report systemic and programme level risks. Processes are being aligned with the TfL strategic risk arrangements to ensure that such risks can be consistently reported in the future.

### **London Rail**

- 4.3 Annual risk review arrangements for London Rail have been revised to incorporate an exhaustive review of strategic risks fully categorized as long term, short term and operational. A formal report detailing the risks and corresponding controls is produced by the Senior Risk Manager and ratified by the Executive Team. All of the review arrangements are aligned to the Business Planning round and meet the requirements of the risk element of the Business Planning Guidance document.

### **London Underground**

- 4.4 The Head of Business Risk Management has performed a review of the risks identified in the LUL Business Plan submission against the LUL strategic risks. The Business Plan risks were found to be consistent with the LUL risk profile, and this was reported to the Risk Management Meeting.

## **5 RECOMMENDATION**

5.1 The Committee is asked to NOTE this report.

## **6 CONTACT**

6.1 Contact: John Burton, Head of Corporate Governance and Risk  
Management  
Telephone: 020 7126 3026