

# Standard Risk Register

| Report Date   |   | 02 Dec 2015  |                                     |  |                                     |  |
|---------------|---|--|-------------------------------------|--|-------------------------------------|--|
| Business Unit |   | 1 BTPA Strategic Risk  |                                     |  |                                     |  |
| Risk Ref      | Cause & Effect  | Inherent Risk Priority   | Risk Control                        | Residual Risk Priority   | Action Required                     |  |
| ASR 1         | <p>EPSA contracts not signed</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Victoria Tanner</p>   | <p>EPSA contracts not signed</p>   | <p>I = 3 L = 2<br/>Moderate (6)</p> | <p>Regular liaison between the area leads and the Authority to assess progress and provide assistance when required.</p>   | <p>I = 3 L = 2<br/>Moderate (6)</p> | <p>02 December 2015 : Final negotiations are taking place. Discussions ongoing regarding the liability for costs arising from a "forced" move.<br/>14 September 2015: The HS1 contracts are with DfT awaiting final approval. Two NWR EPSA – Disruption and an extension for the West Coast Mainline team. Discussions are ongoing with NWR</p> <p>The HS1 contracts have received SoS approval in September. The schedules are being updated to allow the contracts to be signed.</p> |
| ASR 3         | <p>Pension Strategy - Staff, the new strategy not being agreed nor there being any process to gain agreement of the new strategy before 1 April 2017. Impact a years costs avoidance / benefits. (NB Pension strategy regarding officers now resolved)</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Charlotte Vitty</p> | <p>Pension Strategy - Staff, the new strategy not being agreed nor there being any process to gain agreement of the new strategy before 1 April 2017. Impact a years costs avoidance / benefits. (NB Pension strategy regarding officers now resolved)</p> | <p>I = 2 L = 3<br/>Moderate (6)</p> |  | <p>I = 2 L = 3<br/>Moderate (6)</p> | <p>Further consideration regarding staff pension strategy to be taken to the Remunerations committee.</p>  |
| ASR 4         | <p>PSA holders could legally challenge the Authority upon receipt of the 1415 actual PSA charges if they believe they have been over charged. Only challenge received so far from DBS.</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Charlotte Vitty</p>   | <p>PSA holders could legally challenge the Authority upon receipt of the actual PSA charges if they believe they have been over charged.</p>   | <p>I = 2 L = 3<br/>Moderate (6)</p> | <p>Full analysis of the actual charges to ensure that any changes are fully understood and can be articulated to the PSA holders in a meaningful way. Agreement and communication of charges to be performed before financial year end to allow financial planning. Full analysis has been fully explained in the charges paper presented to the Finance Committee.</p>  | <p>I = 2 L = 3<br/>Moderate (6)</p> | <p>One challenge from DBS received so far. Washup charges to be finalised and distributed to customers before the current year end.</p>  |
| ASR 5         | <p>BTP not being provided the funding for the transition from Airwave to ESMCP due to BTP's different funding arrangements. - Escalated from the BTP Strategic Risk register (DCR4)</p> <p>Risk Owner: Andrew Figgures<br/>Delegated Risk Owner: Andrew Figgures</p>  | <p>BTP not being provided the funding for the transition from Airwave to ESMCP due to BTP's different funding arrangements. - Escalated from the BTP Strategic Risk register (DCR4)</p>  | <p>I = 3 L = 3<br/>High (9)</p>     | <p>Engagement with DfT, Home Office and other government departments who are involved. An information brief has been provided to the DfT.</p>  | <p>I = 3 L = 3<br/>High (9)</p>     | <p>The Authority have contacted the DfT to confirm progress regarding resolution of this issue.</p>  |
| ASR 6         | <p>The transfer of functions from BTP Scotland to Police Scotland leads to an increased overhead charge for the PSA holders.</p> <p>Risk Owner: Andrew Figgures<br/>Delegated Risk Owner: Andrew Figgures</p>   | <p>The transfer of functions from BTP Scotland to Police Scotland leads to an increased overhead charge for the PSA holders.</p>   | <p>I = 4 L = 3<br/>High (12)</p>    | <p>The DfT has been informed via an information brief. Both the Chief Executive and Chief Constable have met with the Justice and Transport Minister in September 2015.</p>  | <p>I = 4 L = 3<br/>High (12)</p>    | <p>Key meeting date 21 January 2016 for further clarification on impact on BTPA.</p>   |
| ASR 7         | <p>Lack of management and late notification of expiring EPSA during the next 12 months.</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Charlotte Vitty</p>  | <p>Lack of management and late notification of expiring EPSA during the next 12 months. (eg TPE EPSA at risk due to refranchising).</p>  | <p>I = 2 L = 3<br/>Moderate (6)</p> | <p>Control 1: Informing the Divisions of forthcoming expiry dates of EPSA.<br/>Control 2: Informing the Divisions of forthcoming franchise changes and the effected EPSAs.</p> <p>There is currently a number of EPSAs at risk due to refranchising or forthcoming expiry dates during the 2015/16 financial year. The Income and Compliance Manager has been notifying and liaising with the Divisions of forthcoming contract end dates and providing assistance in drafting the new agreements when required.</p> | <p>I = 2 L = 2<br/>Moderate (4)</p> |  |

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| <p>ASR 8</p>  | <p>As a result of the Pension Bill 2013-14, the Authority and in-service members will be required to pay the full rate of NI contributions from April 2016.</p> <p>Currently the Authority and in-service..</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Charlotte Vitty</p>        | <p>As a result of the Pension Bill 2013-14, the Authority and in-service members will be required to pay the full rate of NI contributions from April 2016.</p> <p>Currently the Authority and in-service members pay a reduced rate of NI Contributions as a result of contracting out of the State Second Pension (S2P).</p> <p>The new strategy not being agreed nor there being any process to gain agreement of the new starteg before 6 April 2016. BTPA would therefore have to pay the full cost. Additional costs being incurred due to non compliance with HMT requirements.</p> | <p>I = 3 L = 3<br/>High (9)</p> | <p>Engagement with the necessary parties to implement a strategy. Discussions regarding strategy have been held at the Pensions sub group and at the November Finance Committee (via MTFP discussions).</p>         | <p>I = 2 L = 3<br/>Moderate (6)</p> | <p>The issue will be discussed at the December Authority meeting alongside decisions made regarding the MTFP.</p>   |
| <p>ASR 9</p>  | <p>Current Number of members</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Charlotte Vitty</p>   | <p>The quorum of Members required by the Railway and Transport Safety Act 2003 is an odd number and a minimum of 11 (maximum of 18).</p> <p>There are membership renewals due in the following year.<br/>There could be delays in proceeding around anything surrounding this process.</p> <p>This could also have an adverse impact on BTPAs ability to fulfil its governance requirements.</p>   | <p>I = 3 L = 3<br/>High (9)</p> | <p>The Authority currently has 12 members in place including the new Chairman.</p>  | <p>I = 2 L = 3<br/>Moderate (6)</p> | <p>BTPA to retain contact with DfT in order to get regular updates and offer support where possible .</p>   |
| <p>ASR 10</p> | <p>Following the findings of the recent Finance Review a number of potential areas for fraud have been identified.</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Charlotte Vitty</p>   | <p>Following the recent initial findings of the Finance Review a number of potential areas for fraud have been identified.</p>   | <p>I = 3 L = 3<br/>High (9)</p> | <p>An action plan has been developed to ensure that the areas identified are addressed. The Authority Finance Director and team are meeting the relevant BTP teams to track progress on a regular basis.</p>        | <p>I = 2 L = 3<br/>Moderate (6)</p> | <p>The Authority Finance Director and team are meeting the relevant BTP teams to track progress on a regular basis. The Audit Committee are to be provided analysis of progress at each Committee meeting. Final work and conclusions from the forensic work from the Finance Review to be completed by Frith Consulting.</p> |
| <p>ASR 11</p> | <p>Cost saving scenarios modelled as part of Cabinet Office spending review would have a material effect on BTPs ability to complete its transformation programme and as a consequence deliver the strategic plan.</p> <p>Risk Owner: Andrew Figgures<br/>Delegated Risk Owner: Andrew Figgures</p> | <p>Cost saving scenarios modelled as part of Cabinet Office spending review would have a material effect on BTPs ability to complete its transformation programme and as a consequence deliver the strategic plan.</p>   | <p>I = 3 L = 3<br/>High (9)</p> | <p>Various cost saving scenarios submitted to the DfT.</p>  | <p>I = 2 L = 2<br/>Moderate (4)</p> | <p>Awaiting confirmation from DfT however initial risk considered to far less severe than initially expected.</p>   |
| <p>ASR 12</p> | <p>There is a risk that damage to the reputation of the BTPA with DfT will occur following the Finance Review.</p> <p>Risk Owner: Charlotte Vitty<br/>Delegated Risk Owner: Charlotte Vitty</p>   | <p>There is a risk that damage to the reputation of the BTPA with DfT will occur following the Finance Review.</p>   | <p>I = 3 L = 3<br/>High (9)</p> | <p>An action plan has been developed to ensure that the areas identified are addressed. This action plan has been sent to the DfT and regular updates are provided to the DfT with regards to goal achievement.</p> | <p>I = 2 L = 3<br/>Moderate (6)</p> |   |