 <p>LEE VALLEY REGIONAL PARK AUTHORITY</p> <p>AUDIT COMMITTEE</p> <p>21 JUNE 2018 AT 13:00</p>	<p><u>Agenda Item No:</u></p> <p style="text-align: center;">7</p> <p><u>Report No:</u></p> <p style="text-align: center;">AUD/90/18</p>
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RISK REGISTER 2018/19

Presented by the Director of Finance & Resources

SUMMARY

At each Audit Committee Members review the Risk Register for progress against existing actions and to ensure that the Risk Register remains relevant to deal with the corporate risks facing the organisation.

At the previous Audit Committee in February 2018 (Paper AUD/86/18) Members briefly reviewed the updated risk management strategy and corporate risk register as a prelude to a Risk Management Workshop (held on 7 June 2018). This Workshop analysed and reviewed the risk management strategy and corporate risk register in more detail with the purpose that the new membership of this Committee could proactively input into, manage and monitor the register going forward with risks identified that are up to date and relevant to the Authority's business over the coming years.

This paper incorporates those items that the Workshop discussed and agreed and is presented for formal approval going forward.

This review also assists Members in their consideration for approving the Annual Governance Statement that is presented next on this agenda and a key part of the financial statements for 2017/18. A robust risk management framework and register is one key element of the Annual Governance Statement and a source of assurance for Members in approving this statement as part of the published accounts.

RECOMMENDATION

Members Approve (1) the Risk Management Strategy and Corporate Risk Register included at Appendices A and B of this report.

BACKGROUND

- 1 Risk management is one of the key internal controls for an organisation. Members need to ensure that a sound system of internal control is maintained and an annual review of the effectiveness of the system of internal control is conducted to provide sufficient, relevant and reliable assurance to enable them

to authorise the signing of the Authority's Annual Governance Statement (which is published with the financial statements).

2 Regulation 3 of the Accounts and Audit Regulations 2015 requires that:

"A relevant authority must ensure that it has a sound system of internal control which -

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk."

In this context "relevant authority" is referring to Lee Valley Regional Park Authority.

3 Each financial year the relevant authority must –

- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
- (b) prepare an Annual Governance Statement - this statement must be published together with the statement of accounts and the narrative statement in accordance with Regulation 10.

4 Assurance of the Authority's internal control system is derived through the work of the internal audit function (undertaken by Mazars for the Authority); and also through the monitoring of processes put in place by management and other external bodies including those around risk management and health & safety. This provides evidence which allows the Authority to form conclusions on the adequacy and effectiveness of the systems of internal control and also on the efficiency of operations.

5 Risk management is not solely a focus on the finances of the Authority. The scope of internal control spans the whole range of the Authority's activities and includes those controls designed to ensure:

- the Authority's policies are put into practice;
- the organisation's values are met;
- laws and regulations are complied with;
- required processes are adhered to;
- financial statements and other published information are accurate and reliable; and
- human, financial and other resources are managed efficiently and effectively.

6 The Authority approved a Risk Management Framework in April 2005 (Paper A/3798/05). The Risk Management Framework and more specifically, the Risk Register, was developed by Members and senior officers under the guidance of the internal auditors through a number of workshops and meetings. Members have regularly reviewed the register at each Audit Committee, adding in their own comments and improvements.

7 Since this time Members have consistently (and in depth) reviewed the

Corporate Risk Register and revised the strategy, format and content. The strategy has been revised and updated twice since 2005 at the Audit Committee (20 May 2010, Paper AUD/06/10 and 28 June 2012 Paper AUD/30/12). The strategy has been reviewed again by officers and is attached at Appendix A to this report and was considered by Members as part of the Risk Management Workshop.

REVIEW OF THE STRATEGIC RISK REGISTER

- 8 The current Strategic Risk Register is usually reviewed by officers and Members on an on-going basis and signed off at each Audit Committee.
- 9 At the previous Audit Committee in February 2018 (Paper AUD/86/18) Members felt it was time to revisit the risk management strategy and corporate risk register so that the new membership of this Committee could proactively input into, manage and monitor the register going forward - with risks identified that are up to date and relevant to the Authority's business.
- 10 Given the level of detail that Members wished to explore, understand and discuss it was felt that a workshop would enable this task to proceed outside the limited time available and confines of the formal committee meeting. The workshop covered the following areas:
 - identified new (and confirmed existing) Corporate Risks for inclusion on the Register;
 - understanding and agreement of the existing scoring system
 - reviewed the format and scoring in the revised Register for the Risks identified;
 - assessed the Authority's Risk Appetite (Red/Amber/Green); and
 - reviewed and confirmed the Risk Management Framework going forward.
- 11 Officers have updated the Risk Management Framework and Strategy following the Workshop and this is attached at Appendix A to this report, with a proposed (and agreed) revised register attached at Appendix B to this report. It is intended that these two documents are the basis for reviews of the corporate register at future Audit Committees.

Attendees at the Workshop included Audit Committee Members, officers representing each service area and Mazars (the Authority's internal auditors), who provided advice and support covering the thinking and principles behind risk management.

Recommended additions/changes to the register are all highlighted in red on the corporate register and further changes added to the register from the resulting discussions at the Workshop are now included. These are:

- assurance column now moved next to existing controls and identifies where the assurance is derived from and the determined timescale;
- Cyber-Terrorism Risk included within Business Continuity Risk; and
- Lee Valley Leisure Trust Ltd (the Trust) Risk Register included within Business Continuity Risk to be reviewed within future risk reports to understand how the Trust are managing risks that relate to services

provided to the Authority.

Any further changes and recommendations from today will be incorporated into the new risk register for future Audit Committee approval and monitoring.

ENVIRONMENTAL IMPLICATIONS

- 12 There are no environmental implications arising directly from the recommendations in this report.

EQUALITY IMPLICATIONS

- 13 There are no equality implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 14 Revision of the Strategic Risk Register is a key element of this Authority's system of internal control that contributes to safeguarding the assets of the Authority and its reputation for sound financial management of public funds. This is reflected in the Authority's Annual Governance Statement published within the annual accounts and to be approved by this Committee.
- 15 Where actions require additional resources these will be identified and approved through the normal budget setting/service planning and management processes in accordance with Financial Regulations.

HUMAN RESOURCE IMPLICATIONS

- 16 There are no additional human resource implications arising directly from the recommendations in this report. Actions have been set so that they can be met from existing employee resources.

LEGAL IMPLICATIONS

- 17 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

- 18 These are dealt with through the main body of the report and through the revised register. The Ice Centre; the Picketts Lock Development; the Leisure Services Contract retender projects; and the implementation of the Land & Property Strategy are now recognised as potentially the highest corporate risks facing the organisation. Continuing mitigation against these identified risks is demonstrated by the proposed actions in the strategic register as set out in Appendix B to this report and primarily through implementing and delivering the approved Business Plan.

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BACKGROUND REPORTS

Lee Valley Regional Park Authority Risk Management Strategy

June 2012

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/06/10	Risk Register 2009/10	20 May 2010
Audit Committee	AUD/17/11	Risk Register 2010/11	02 March 2011
Audit Committee	AUD/21/11	Risk Register 2011/12	02 June 2011
Audit Committee	AUD/23/11	Risk Register 2011/12	22 September 2011
Audit Committee	AUD/26/12	Risk Register 2011/12	23 February 2012
Audit Committee	AUD/30/12	Risk Register 2012/13	28 June 2012
Audit Committee	AUD/34/12	Risk Register 2012/13	20 September 2012
Audit Committee	AUD/38/13	Risk Register 2012/13	28 February 2013
Audit Committee	AUD/40/13	Risk Register 2013/14	20 June 2014
Audit Committee	AUD/44/13	Risk Register 2013/14	26 September 2014
Audit Committee	AUD/46/14	Risk Register 2013/14	27 February 2014
Audit Committee	AUD/50/14	Risk Register 2014/15	19 June 2014
Audit Committee	AUD/54/14	Risk Register 2014/15	25 September 2014
Audit Committee	AUD/57/15	Risk Register 2014/15	26 February 2015
Audit Committee	AUD/59/15	Risk Register 2015/16	25 June 2015
Audit Committee	AUD/63/15	Risk Register 2015/16	24 September 2015
Audit Committee	AUD/66/16	Risk Register 2015/16	25 February 2016
Audit Committee	AUD/70/16	Risk Register 2016/17	16 June 2016
Authority	A/4228/16	Outcome of the Ice Centre Feasibility Exercise and Proposed Next Steps	16 June 2016
Audit Committee	AUD/72/16	Risk Register 2016/17	22 September 2016
Authority	A/4237/17	Corporate Land & Property Strategy	19 January 2017
Audit Committee	AUD/74/17	Risk Register 2016/17	23 February 2017
Audit Committee	AUD/79/17	Risk Register 2017/18	22 June 2017
Audit Committee	AUD/82/17	Risk Register 2017/18	21 September 2017
Audit Committee	AUD/86/18	Risk Register 2017/18	22 February 2018

APPENDICES ATTACHED

Appendix A	Risk Management Framework and Strategy
Appendix B	2018/19 Corporate Risk Register – Authority

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Lee Valley Regional Park Authority

Risk Management Framework and Strategy

June 2018

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Introduction

This document sets out the Authority's Risk Management Framework & Strategy ("the Strategy"), outlining the approach taken to manage risks across all areas of operation, so as to minimise potential negative impacts and maximise the extent to which objectives are met.

Background

Aside from the regulatory responsibility to ensure that risk is appropriately managed, as set out within the Accounts and Audit Regulations 2015, it is widely recognised as being a matter of good governance and a key element of good management practice.

Benefits of embedding risk management in an organisation's culture include the following:

- Greater management focus on the issues that really matter;
- Reduction in management time spent fire-fighting;
- Fewer surprises;
- More focus internally on doing the right things in the right way;
- Greater likelihood of achieving business objectives;
- Increased likelihood of change initiatives being achieved;
- Reduction in the overall cost of risk management; and
- More informed risk taking and decision making.

A formal approach to risk management was first introduced into the Authority in 2005, with the development of a Strategic Risk Register ("the Register"). The Register has gone through various stages of continuous development since then, with input from both Members and management, and is now subject to review at each meeting of the Audit Committee.

Alongside the Corporate Register, the Framework and Strategy have been subject to review, update and Committee approval.

Day to day operational risks have since been documented and presented to Audit Committee but now form part of the normal operating procedures that exist for sites and venues and include Health & Safety risk assessments, Emergency Action Plans, Safeguarding and DBS procedures, staff handbook, financial regulations and standing orders.

Overall, whilst it is recognised that ongoing improvements can be made, the Risk Management Framework & Strategy is considered to be embedded within the Authority's governance arrangements. As well as being subject to regular review by the Audit Committee, the Register is regularly discussed at senior management level, and risk implications are always considered in relation to papers presented to the various committees for decision making purposes.

This latest revision to the Strategy reflects the ongoing developments since June 2012, including on-going feedback from the Audit Committee on further developments.

Definitions

The following key terms are fundamental to the Authority's Risk Management Framework:

Risk = an event or action which may adversely (or positively e.g. potential Land Sales) affect the Authority's ability to maximise stakeholder value and to achieve its objectives, or limit its ability to exploit opportunities.

Risk is an inevitable part of everyday business and cannot be eliminated, but it can be managed.

Risk Management = the planned and systematic approach to the identification, evaluation and economic management of the risks associated with the Authority's activities.

Inherent Risk = the risk exposure (likelihood x impact), assuming that nothing is done to manage it.

Likelihood = the estimated chance of a risk being realised.

Impact = the potential consequences if a risk is realised.

Control = an action taken to help manage a risk, either reducing the likelihood or the impact, or both.

Residual Risk = the risk exposure (likelihood x impact), taking into account the steps already being taken to manage it.

Further Action = the further steps to be taken to reduce the residual risk exposure to an acceptable level.

Risk Appetite = an indication as to the extent to which the Authority are prepared to accept risk, i.e. a measure of the level of exposure that the Authority is willing to accept, taking into account the specific nature and potential impacts of the risk in question, as well as the costs and practicalities involved with managing it.

Assurance = information which provides a view on the extent to which a risk is being managed in the way envisaged and hence on whether the actual residual risk exposure is consistent with that which it is believed to be.

Scope of Risk Management

Risk Management applies to all aspects of the Authority's operations, including both existing activities and those relating to any planned developments. Partnership risk is also relevant.

Risk is not just about the finances of the Authority. Whilst direct financial loss may result, the potential impacts if a risk is realised also include service disruption, reputational damage, environmental damage, personal injury and regulatory sanctions.

How do we use Risk Management?

The Corporate Register is used for two main purposes:

- To determine those risks where further actions are needed in order to reduce the residual risk exposure to an acceptable level, i.e. within the Authority’s risk appetite. These further actions need to be assigned responsible officers and deadlines for completion, and progress towards implementing them needs to be monitored; and
- To determine those risks where the residual risk exposure has already been reduced to an acceptable level and hence where reliance is being placed on the existing controls. Management and Members need to obtain assurances that these controls are operating as intended, on an ongoing basis, so as to confirm that the actual residual exposure remains at this level.

Both elements are of high importance and hence form the basis of the regular review by Management Team and Members.

Risk Appetite

As it is not an efficient use of resources, nor is it necessarily practical for individual risks to be completely and absolutely eliminated, an important issue in considering the response to risk is the determination of the risk appetite of the Authority.

Risks are currently assessed using a 1-9 scale for both impact and likelihood. The Authority’s risk appetite is then defined using the scoring matrix below.

Impact	9	9	18	27	36	45	54	63	72	81
	8	8	16	24	32	40	48	56	64	72
	7	7	14	21	28	35	42	49	56	63
	6	6	12	18	24	30	36	42	48	54
	5	5	10	15	20	25	30	35	40	45
	4	4	8	12	16	20	24	28	32	36
	3	3	6	9	12	15	18	21	24	27
	2	2	4	6	8	10	12	14	16	18
	1	1	2	3	4	5	6	7	8	9
		1	2	3	4	5	6	7	8	9
		Likelihood								

Those risks with a residual score in the green zone are generally considered to be managed to an acceptable level and hence limited or no further actions would be expected.

For those risks with a residual score in the amber zone, the exposure is considered to be partially acceptable. Further actions would be needed to lower this into the green zone, although a decision has to be made as to whether this is cost effective, given that resources are constrained.

Those risks with a residual score in the red zone are considered to have an exposure that is at an unacceptable level and hence further actions are needed to lower this.

On some occasions a decision may be made to accept a higher level of residual risk, although this will be subject to ongoing review and consideration at both Senior Management Team and Member level.

Scoring Criteria

Each risk is scored on the basis of the following criteria for impact and likelihood, both for inherent and residual risk. Whilst the assessment remains subjective, these criteria serve as a guide and are used to help ensure consistency in scoring across each of the risks identified.

	Impact	Likelihood
1	No impact	<1% likely to occur in next 12 months
2	Financial loss up to £1,000 or no impact outside single objective or no adverse publicity	1%-5% likely to occur in next 12 months
3	Financial loss between £1,000 and £10,000 or no impact outside single objective or no adverse publicity	5%-10% likely to occur in next 12 months
4	Financial loss between £10,000 and £25,000 or minor regulatory consequence or some impact on other objectives	10%-20% likely to occur in next 12 months
5	Financial loss between £25,000 and £50,000 or impact on other objectives or local adverse publicity or strong regulatory criticism	20%-30% likely to occur in next 12 months
6	Financial loss between £50,000 to £250,000 or impact on many other processes or local adverse publicity or regulatory sanctions (such as intervention, public interest reports)	30%-40% likely to occur in next 12 months
7	Financial loss between £250,000 to 500,000 or impact on strategic level objectives or national adverse publicity or strong regulatory sanctions	40%-60% likely to occur in next 12 months
8	Financial loss between £500,000 to £1 million or impact at strategic level or national adverse publicity or Central Government take over administration	60%-80% likely to occur in next 12 months
9	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months

How do we identify Risks?

It is key that risks are not only identified from an internal perspective. There should also be a consideration of the external environment and the interfaces this has on the Authority.

By definition, a risk is something which threatens the achievement of an objective, and hence risks should ideally be linked to objectives. These may be corporate level objectives, service level objectives, objectives in relation to partnerships or projects.

In addition to the non-achievement of objectives, the following is used as a guide to identifying risks:

Reliability and integrity of financial and operational information	Risks to do with the completeness, accuracy, validity and timeliness of information.
Effectiveness and efficiency of operations	Risks to do with the extent to which desired outcomes are achieved in a cost efficient manner.
Safeguarding of assets	Risks to do with the extent to which assets, both tangible and non-tangible, are protected from loss / damage.
Compliance with laws, regulations and contracts	Risks to do with the extent to which the Authority meets its obligations, both from a statutory and contractual perspective.

Which Risks do we focus on?

All risks included within the Register are considered and reviewed, either because they have further actions against them to lower the residual risk exposure, or because they are believed to be managed to an acceptable level of residual exposure and hence assurance is needed to confirm that this continues to be the case.

With regard to the initial inclusion of a risk on the Register, this is determined through the inherent risk assessment. If the inherent risk score falls within the green zone of the scoring matrix, then it will not be included as this suggests that the exposure is acceptable, even without taking any steps to manage it.

Risks usually will only be included if they fall within the red zone and amber zone.

How do we determine how to manage each Risk?

As explained, it is not an efficient use of resources, nor is it necessarily practical for individual risks to be completely and absolutely eliminated. A decision therefore has to be made in each case as to what is a cost effective response, as set against the Authority's risk appetite.

The response can be categorised into one of the following:

Treat	Controls are put in place to help reduce the likelihood of a risk being realised.
Transfer	Action is taken to transfer the potential impact to another party, e.g. through an insurance arrangement.
Terminate	A decision is made to end the area of activity with which the activity is associated.
Tolerate	A decision is made to accept the current level of exposure without taking any further action.

If a decision is made to implement controls to help manage a risk, then the design of those controls needs to take account of the potential causes of the risk. It is only through taking action to control these causes that a risk can be managed.

Different risks will have different causes, and it is likely that there may be more than one potential cause per risk. However, the following categories are used as a guide to identify the causes in each case:

Lack of awareness / understanding of what's needed	Lack of resources / information needed to deliver	Lack of skills / competency needed to deliver
Errors in performance / compliance	Intentional non-compliance	Incompatible duties (lack of segregation)
Duplication of effort	Lack of awareness of poor performance / non-compliance	Lack of resource / competency to address issues

For each risk, the aim is also to have a mix of both preventative and detective controls.

A preventative control seeks to stop the risk from being realised, whilst a detective control seeks to identify any instances where this does still occur. A balance is needed given that preventative controls may not always be successful.

How do we assess Residual Risk?

The residual risk exposure is assessed through a consideration of the extent to which the existing controls adequately mitigate the causes of each individual risk. As explained, a risk can only be managed through taking action to control the causes.

It is also important to recognise that the controls in place are generally focused more on reducing the likelihood of a risk occurring as opposed to the impact. In many cases, if the risk does still occur then the impact will be unchanged from the inherent scoring. There are exceptions to this, for example purchasing some form of insurance helps to reduce the potential impact rather than lowering the likelihood. In addition, in some cases, the controls may help to reduce the potential impact as well as the likelihood through a mix of both preventative and detective type controls.

What if the Residual Risk is not low enough?

The residual risk score is compared against the Risk Appetite to determine whether this is acceptable.

As covered under the section titled 'Risk Appetite', if the score is outside the green zone then a decision needs to be made as to how to address this. Such a decision will be based on the specific nature and potential impacts of the risk in question, as well as the costs and practicalities involved with managing it.

The decision will either be to 'Tolerate' the existing level of exposure, to 'Treat' it, or to 'Terminate' it through ending the operations to which the risk relates.

If a decision is made to 'Treat' the residual exposure, then further action(s) will be identified to do so. For each further action, a deadline for completion and a responsible officer are agreed.

Once completed, the existing controls recorded in the Register are updated to reflect the strengthening of the control environment and the residual risk score is re-assessed.

Roles and Responsibilities

For Risk Management to be an effective tool, it needs to be embedded throughout the organisation. It needs to be considered as part of the service planning process, as part of the budget setting process, as part of day-to-day decision making and as part of strategic level decision making by Management Team and Members.

It is also critical that management and Members are clear on the need to consider risks beyond their immediate operations, also focusing on risks in relation to partnerships with external bodies and risks in relation to projects.

Responsibilities are summarised as follows:

- Members have overall responsibility for approving the Authority's Risk Management Strategy and the content of the Register. **They are not directly responsible for the management of risk, rather they must satisfy themselves that the Framework is operating effectively.** Specifically, they should be satisfied with the following:

- the overall levels of Risk Appetite;
 - that all key risks have been identified within the Register on an ongoing basis;
 - that the inherent risk scores seem reasonable;
 - that the residual risk scores seem reasonable, given the existing controls identified and the potential causes of the risks;
 - that the decision as to whether to accept the residual risk score or to take further actions (including potentially terminating the operations relating to the risk) seems reasonable;
 - that the deadlines set for any further actions seem reasonable;
 - that any further actions are being completed within the agreed deadlines; and
 - that the existing controls identified are indeed in place and continue to operate effectively – it is not for Members to check this themselves, but to obtain assurances that this is the case (see 'Monitoring and Reporting' below).
- Management Team have responsibility for maintaining the Register, and for driving the operation of the Framework on a day-to-day basis. They determine the content of the Register and hence must initially consider the same points as listed above with regard to the focus of Members.
 - Senior Management has responsibility for managing operational risks, and for ensuring the effective operation of controls on a day-to-day basis. They determine the content of their own risks with regard to their normal operating procedures, emergency action plans, Health & Safety risk assessments, the staff handbook, Financial Regulations and Standing Orders and hence must initially consider the same points as listed above with regard to the focus of Members.
 - Officers across the Authority are responsible for considering risk as part of their day-to-day activities and for operating controls in a robust manner.

Monitoring and Reporting

Risk management needs to be consistently on the 'agenda' at all levels and the Register needs to be treated as a 'live' document.

The Register is reviewed quarterly by the Senior Management Team. The Register is also reviewed by Members at each and every Audit Committee meeting.

Key elements covered by the review process, as linked to the responsibilities set out in the previous section, include the following:

- consideration as to whether there are any new or emerging risks to be added;
- consideration as to whether the significance of any of the existing risks has changed;
- monitoring and reporting on the extent to which the controls currently in place are adequately and effectively managing the risks identified;

- determining the extent to which any further actions are needed to strengthen the existing controls; and
- monitoring the progress on the implementation of further actions.

The review is therefore of key importance in terms of helping to ensure that the Register is up to date and reflects all significant risks, but also in terms of monitoring and reporting on the extent to which the risks are being adequately and effectively managed on an ongoing basis.

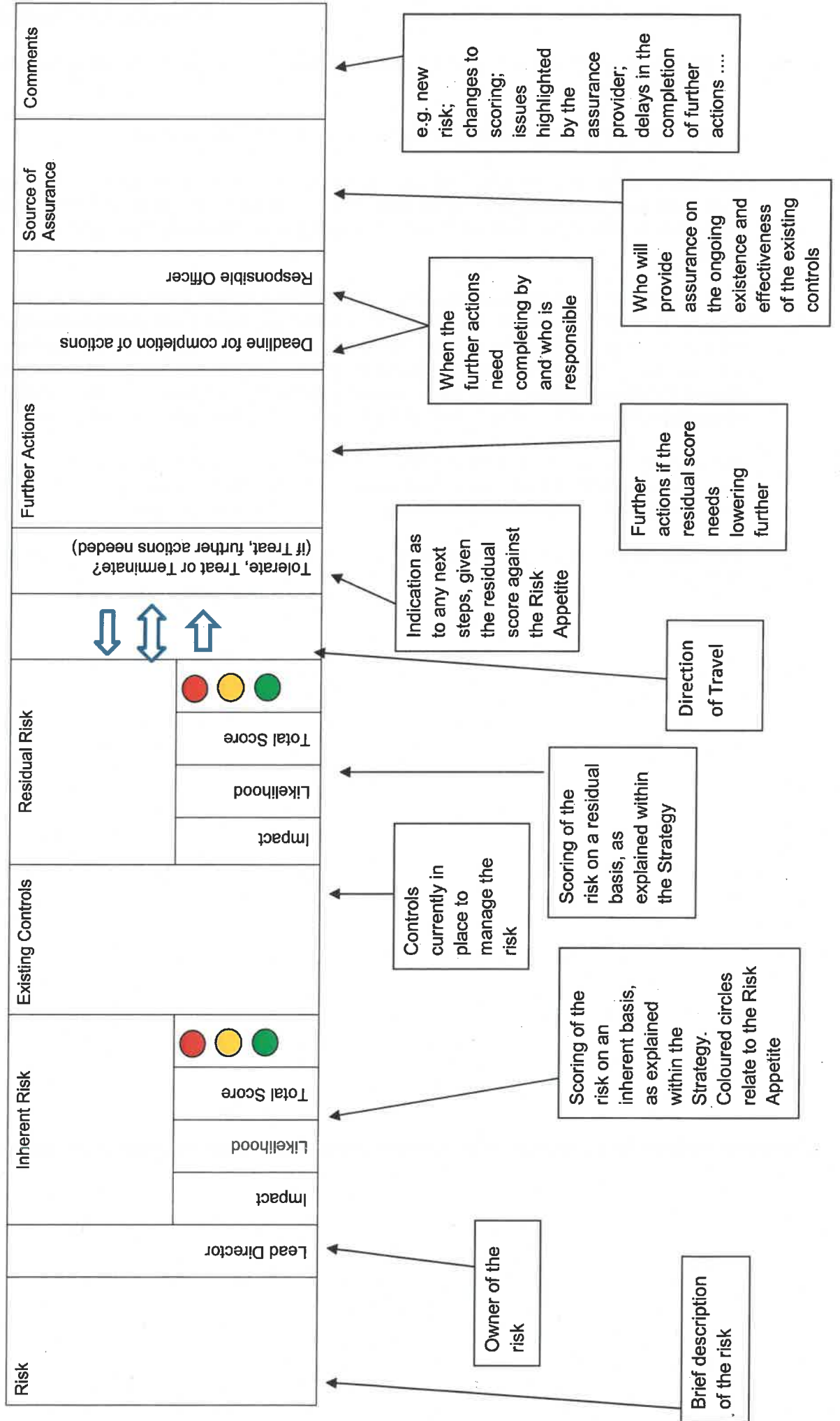
With regard to the latter, the Audit Committee need to obtain assurances that this is the case on an ongoing basis. Such assurances can either come from within the Authority or from external sources. Internal sources of assurance include management themselves, plus management information, such as financial metrics and key performance indicators. The benefit of these sources is that they generally utilise existing review processes and embedded information. The potential weakness is that they lack independence.

Assurances from external sources help to address the issue of independence. The role of Internal Audit is to provide such assurances, but they are not the only source. Others include External Audit and the Authority's Health & Safety contractor.

The sources of assurance on the controls in place are recorded within the Register against each risk.

Appendix 1 – One Page Guide to the Register

The format of the Register is explained below:



PROPOSED REVISED STRATEGIC RISK REGISTER AS AT 21 JUNE 2018

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Impact	Likelihood	Source of Assurance EA Ext Audit IA Int Audit SMT Sr Mgmt Team H&S M Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult	Existing Controls	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments following Workshop 07/06/2018
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood										
SR1	Legal Failure to comply with the 1966 Park Act and other statutory requirements.	DCS	8	7	56	6	1	6	6	1	EA -Annual Audit Letter IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly	Provision of Legal Services Member scrutiny through Authority & Committee meetings Annual Governance statement Park Act Awareness covered by inductions for new staff.	Tolerate	Continue Induction Process and monitoring of statutory changes	Quarterly	DCS	As Existing
	Failure to comply with Health & Safety legislation	DFR	9	6	54	7	2	14	7	2	RD/SMT 1/4ly Reports BSC 3 yr ext review RD Annual Audits M Year Report	Health and Safety management H&S manual (procedures) regularly reviewed by RDHS who monitor up and coming legislation. Policy Updated annually Risk Reduction Plan complete. External H&S Assessment 5* Annual Report to Audit Committee	Tolerate	Annual Internal Audit & H&S Audit Plans delivered.	21/06/2018	DFR	As Existing
SR2	Contractual Agreeing to accept a partners' financial terms and conditions that will place an unacceptable long term liability on the Authority	DFR	9	4	36	8	2	16	8	2	M Exec Monthly LA agreement	Reports to SMT and Members Financial Implications fully appraised. Appraisal of schemes in accordance with prudential code.	Tolerate	Ongoing resources review for specific projects	Quarterly	DCS/DFR	As Existing
	Contractors, Governing Bodies, or Trust not delivering agreed objectives/contract	DFR	7	6	42	6	2	12	6	2	M Exec Monthly M Scrutiny 1/4ly	All contracts reviewed prior to commencement by a responsible officer. Delivery monitored by Director/Head of Service and performance monitoring team Quarterly Performance Reports to Executive & Scrutiny Committees	Tolerate	Quarterly Contract monitoring.	Executive Quarterly Monitoring	HSL	As Existing - Narrative updated
	Failure to deliver the LVRPA management contract to the required specification including breach in SE Funding Agreements - LVAWAG, VeloPark, LVH+IC	DFR	9	4	36	6	2	42	6	2	Senior management Internal Audit	Monitored as part of Trust contract monitoring	Tolerate	No further action	Executive Quarterly Monitoring	HSL	Delete covered by two items above







PROPOSED REVISED STRATEGIC RISK REGISTER AS AT 21 JUNE 2018

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Total Score	Likelihood	Impact	Tolerate/Transfer/Treat/Eliminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments following Workshop 07/06/2018
		Lead	Impact	Likelihood	Total Score	Existing Controls	Source of Assurance	Impact	Likelihood								
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36	<p>Existing Controls</p> <p>Advice and support APMD plus external contractors. Quality contractors employed for maintenance through procurement (Price Quality ratio applied)</p>	<p>Source of Assurance</p> <p>EA Ext Audit</p> <p>IA Int Audit</p> <p>SMT Sr Mgmt Team</p> <p>H&S Members</p> <p>BSC H&S</p> <p>LA Legal Advice</p> <p>APMD Asset Mgmt Team</p> <p>EC Ext Consult</p>	7	3	21	<p>Red</p> <p>Yellow</p> <p>Green</p>	<p>Down</p> <p>Up</p> <p>Up</p>	Treat	Ongoing Monitoring	Annual Inspections & Review.	APMD	As Existing plus expanded risk narrative
SR 3	Resources	DFR	9	4	36	<p>Reports to Members</p> <p>Financial/Legal/Risk Implications fully appraised.</p> <p>Appraisal of schemes in accordance with prudential code. Existing IT Infrastructure budget £100K pa</p>	<p>SMT Weekly Meeting Minutes</p> <p>IA Audit Plan</p> <p>EA -Annual Audit Letter</p>	8	3	24	<p>Yellow</p>	<p>Up</p>	Treat	Support Services Review for new Contract post 2020	30/09/2018	DFR	As Existing - Narrative updated
SR 4	Financial Management	CEO	8	8	64	<p>Reward & Recognition</p> <p>Training & development framework</p> <p>Management Away Days</p> <p>Staff presentations</p> <p>Internal/External communications</p> <p>Up to date staff handbook</p> <p>Up to date policies</p>	<p>M Annual</p> <p>Sickness Report</p> <p>M -Policy Reports</p> <p>SMT Annual Training panel</p>	4	4	16	<p>Green</p>	<p>Up</p>	Treat	Ongoing Monitoring	On-going	CEO/DFR	As Existing - Narrative updated
	Financial Risks of over/under spent budget through non-achievement of income targets or inaccurate budget forecasting. Insufficient Resources to meet objectives	DFR	9	9	81	<p>Budget monitoring reports</p> <p>Authority/Trust monitoring Meetings</p> <p>Joint Chairs Meeting</p> <p>Budget Review 2017/18 complete Medium Term Financial Plan £4m</p> <p>Minimum Reserves Policy Statutory Power to Levy</p>	<p>M Exec 1/4ly</p> <p>M Authority</p> <p>Annual Budget</p> <p>SMT Monthly & 1/4ly Reports</p>	7	2	14	<p>Yellow</p>	<p>Up</p>	Treat	Budget Review 2018/19	24/01/2019	DFR	As Existing - Narrative updated
	Ensure Adequate Funding for Both Organisation	DFR	9	9	81	<p>Current Financial Plan 2016/17</p> <p>Existing Budget Process</p> <p>Mandatory Rate relief achieved</p>	<p>Senior management</p>	7	2	14	<p>Yellow</p>	<p>Up</p>	Treat	Budget Review 2017/18	19/04/2017	DFR	Delete covered by item above

PROPOSED REVISED STRATEGIC RISK REGISTER AS AT 21 JUNE 2018

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Total Score	Likelihood	Impact	Total Score	Likelihood	Impact	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments following Workshop 07/06/2018
		Lead	Impact	Likelihood	Total Score	Existing Controls	Source of Assurance	Impact	Likelihood											
SR5	Governance & Leadership Lack of a clear corporate direction	CEO	9	9	81	Authority meetings SMT Business Plan 2016-19 MTEP to 2020 Levy Strategy Land & Property Strategy Vision 2010-2020	Source of Assurance EA Ext Audit IA Int Audit SMT Sr Mgmt Team H&S Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult	9	3	27	↑	Tolerate	Set out 2020-2030 Vision	24/01/2019	CEO	As Existing - Narrative updated				
		CEO	9	9	81	Stakeholder engagement Clear Budget/Levy Direction Funded Financial Plan Statutory Levy Raising Powers Monitoring of Legislation	SMT Weekly Meeting Minutes LA as needed	9	1	9	↕	Tolerate	Set out 2020-2030 Vision	Quarterly Monitoring	CEO	As Existing - Narrative updated				
		HC	7	5	35	Managed via Contract Stakeholder updates Feedback/liaison with Trust Stakeholder Communications Speaker engagements media relations	SMT Weekly Meeting M 1/4ly Authority Meetings M Exec Monthly Stakeholder Perception KPI	6	3	18	↑	Treat	Regular client meetings	Quarterly Monitoring Report	HC	As Existing - Narrative updated and combining deleted items below				
SR6	Reputational/Communication Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	HC	9	3	27	Stakeholder Communications Planned Visits Speaker engagements existing-media-relations	Senior management Members Stakeholder Perception-KPI	6	3	18	↕	Treat	Ongoing engagement at local, regional and national level	Ongoing	HC	Delete covered by item above				
		HSL	7	5	35	Strategic and Operation meetings pre and post events-LVRPA and NGBs Events fit with business plans Adequate time and resource agreed and allocated	Senior management Members Stakeholder Perception-KPI	6	4	24	↑	Treat	Partner Working with Trust Events Strategy	30/11/2016	HSL	Delete covered by item above				

PROPOSED REVISED STRATEGIC RISK REGISTER AS AT 21 JUNE 2018

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score					Total Score	Impact Likelihood	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments following Workshop 07/06/2018
		Lead	Impact	Likelihood	Source of Assurance	EA Ext Audit	IA Int Audit	SMT Sr Mgmt Team	H&S						
SR7	Business Continuity Inadequate business continuity implementation at any (all) sites following natural disaster, IT failure including Cyber Terrorism, Flooding, Disease Outbreak (animals/humans), Terrorism.	CEO	6	5	30	5	3	15			Audit Recommendations implemented Further training and testing. Trust Risk Register - alignment re risk and continuity	Quarterly Monitoring	HSL	As Existing - Narrative updated to incorporate environmental and cyber terrorism risks. Plus alignment to Trust risk register	
SR8	Environmental Management Failure to manage contamination could be a risk to users, this includes land and/or water contamination (also damage to reputation from failing to manage contamination)	DCS	9	9	81	7	2	14			Ongoing monitoring	DCS	As Existing - Narrative updated		
	Veterinary Disease outbreak-affecting Farms-business (e.g. avian flu, Foot and Mouth)	DCS	6	6	36	5	3	15			Annual Insurance Renewal	30/09/2016 HP	Delete as incorporated into Business Continuity Risk		

PROPOSED REVISED STRATEGIC RISK REGISTER AS AT 21 JUNE 2018

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Impact	Likelihood	Source of Assurance	Existing Controls	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments following Workshop 07/06/2018
		Lead	Impact	Likelihood	Impact	Likelihood	Total Score									
	Disease outbreak affecting human health	DFR	9	2	18	8	2	16	8	2	Source of Assurance EA Ext Audit IA Int Audit SMT Sr Mgmt Team H&S Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult	Pandemic flu outbreak procedure Proactive monitoring during winter months Formal management of animal movements Quarterly SMT Reports Quarterly e-coll control measure checks	Quarterly inspections None	DFR DFR	Delete as incorporated into Business Continuity Risk Delete as incorporated into Business Continuity Risk	
	Flood risk	DCS	7	5	35	6	3	18	6	3	Internal Audit Senior management	Emergency Action Planning Insurance Funds General Reserves Working with Environment Agency & GRT GIS Mapping of Flood Risk Areas Park Development Framework	Audit Recommendations completed Further training and testing	30/06/2016 30/06/2016	HFR HFR	Delete as incorporated into Business Continuity Risk Delete as incorporated into Business Continuity Risk
23	Environment damage/disaster to buildings/ programme/events	DCS	7	5	35	6	3	18	6	3	H+S Senior management	Emergency Action Planning Insurance Funds Work with Trust Working with QEOP and Agencies	Audit Recommendations completed Further training and testing	30/06/2016 30/06/2016	DFR DFR	Delete as incorporated into Business Continuity Risk Delete as incorporated into Business Continuity Risk
SR9	Major Business Developments Ice Centre Failure in Strategic Risks 1-8 above in the development of the Ice Centre circa £38m project and Legal Challenge	CEO	9	8	72	9	7	63	9	7	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	Legal Advice Prudential Code Feasibility Studies Member Steering Group Existing PR/Comms Feasibility budget Working with LB Waltham Forest Planning Advice	Planning Approval Business Plan Design Team Engagement stakeholders, users and local community	30/09/2018 HSL	HSL	As Existing - Narrative updated

PROPOSED REVISED STRATEGIC RISK REGISTER AS AT 21 JUNE 2018

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers (s) Responsible	Comments following Workshop 07/06/2018
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)				
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