

**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 Audit Committee in June 2018 (Paper AUD/90/18) Members approved the updated risk management strategy and corporate risk register following the Risk Management Workshop held on 7 June 2018. This workshop analysed and reviewed the risk management strategy and corporate risk register in detail to ensure that this committee could proactively input into, manage and monitor the register going forward with up to date risks identified that are relevant to the Authority's business over the coming years.

The review of the risk management strategy and corporate risk register also assisted Members in their consideration and approval of the Annual Governance Statement as 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 year on year as part of the published accounts.

**RECOMMENDATION**

Members Approve (1) the Corporate Risk Register included at Appendix A and the sub-register at Appendix 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 (AGS) (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 (May 2010 Paper AUD/06/10 and June 2012 Paper AUD/30/12). The strategy has been reviewed again by officers and Members as part of the risk

management workshop and was formally approved by the Audit Committee in June 2018 (Paper AUD/90/18).

## REVIEW OF THE STRATEGIC RISK REGISTER

- 8 The current Strategic Risk Register is reviewed by officers and Members on an on-going basis and signed off at each Audit Committee.
- 9 Members last considered the risk register at the Audit Committee in September 2018 (Paper AUD/94/18).
- 10 Since the September Committee officers have incorporated approved Member revisions, reviewed the register, considered potential new risks and the scoring. Notably a risk sub register was considered and agreed by the Leisure Services Contract (LSC) Working Group to give greater detail and management emphasis to managing the risks and actions in relation to the LSC Contract Retender (Strategic Risk SR9). This is attached as Appendix B to this report.

The table below sets out the movement in managing the residual risks and sets out a summary of the total notional score.

Risk	Notional Residual Risks 21 June 2018	Notional Residual Risks 20 September 2018	Notional Residual Risks 14 February 2019
	4	4	<b>3</b>
	7	7	<b>9</b>
	7	7	<b>7</b>
Total Risks	18	18	<b>19</b>
Notional Score	596	461	<b>495</b>

- 12 The key changes since the last review of the register was considered at Audit Committee are:
  - I. inclusion of a sub-register for the LSC Contract Retender (Strategic Risk SR9 – as described above);
  - II. movement in overall scoring for SR9 down from red to amber (40) due to the actions already implemented pre-procurement;
  - III. addition of a broader definition of SR10 re land disposals as requested by Members at the last committee and the potential risk of sales within the Green Belt; and
  - IV. proposed inclusion of new corporate risk relating to the potential impact (positive or negative) of Brexit on the Authority, its strategic plans, finances, partners/stakeholders and the overall legislative framework.

## ENVIRONMENTAL IMPLICATIONS

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



## **EQUALITY IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

- 15 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 approved by this Committee.
- 16 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**

- 17 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**

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

## **RISK MANAGEMENT IMPLICATIONS**

- 19 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 A 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 2018

## **ABBREVIATIONS**

LSC      Leisure Services Contract  
AGS      Annual Governance Statement

**PREVIOUS COMMITTEE REPORTS**

Audit Committee	AUD/94/18	Risk Register 2018/19	20 September 2018
Audit Committee	AUD/90/18	Risk Register 2018/19	21 June 2018
Audit Risk Workshop			07 June 2018

**APPENDICES ATTACHED**

Appendix A	2018/19 Corporate Risk Register – Authority
Appendix B	2018/18 Sub Register LSC retender (SR9)
Appendix C	Risk Scoring Criteria (extract from the approved risk management strategy (June 2018))

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STRATEGIC RISK REGISTER AS AT 14 FEBRUARY 2019

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Updated Comments 14/02/2019	Comments 20/09/2018
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score				
SR1	Failure to comply with the 1966 Park Act and other statutory requirements.	DCS	8	7	56	DCS	6	1	6	Continue Induction Process and monitoring of statutory changes	Quarterly	Ongoing	Ongoing
		DFR	9	6	54	RD/SMT 1/4ly Reports BSC 3 yr ext review RD Annual Audits M Year Report	7	2	14	Annual Internal Audit & H&S Audit Plans delivered.	21/06/2018	Annual Health & Safety Audits complete and improvement in score above 5* level	Completed and approved at Audit Cte 21/06/2018
		DFR	9	4	36	Reports to SMT and Members Financial Implications fully appraised. Appraisal of schemes in accordance with prudential code.	8	2	16	Ongoing resources review for specific projects	Quarterly	Ongoing	Ongoing
SR2	Contractors, Governing Bodies, or Trust not delivering agreed objectives/contract	DFR	7	6	42	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	6	2	12	Quarterly Contract monitoring.	Executive Quarterly Monitoring	Contracts working well with few issues. The Trusts performance re in relation to the LSC are detailed within the February Members paper.	Contracts in general are working well with very few issues. The Trusts performance re in relation to the LSC are detailed within the February Members paper.
		DCS	9	4	36	Advice and support APMD plus external contractors. Quality contractors employed for maintenance through procurement (Price Quality ratio applied)	7	3	21	Ongoing Monitoring	Annual Inspections & Review.	Annual inspections ongoing - weakness in MPG paperwork being addressed	Annual inspections are ongoing and will be completed by 31.12.2018



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		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Direction					
SR 3	Resources I.T. infrastructure does not meet future business need requirements. Authority requires funding for updating or improving I.T infrastructure	DFR	9	4	36	8	3	24	↑	Treat	30/09/2019	DFR	IT decoupling in progress staff returned to Authority. New it budget approved	Report to LSC working group 20/09/2018
	The Authority fails to recruit/retain staff at all levels of the appropriate calibre	CEO	8	8	64	4	4	16	↑	Treat	On-going	CEO/ DFR	Support Services Decoupling in progress	See Comment above
SR 4	Financial Management 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	7	2	14	↑	Treat	24/01/2019	DFR	Quarter 3 Revenue & Capital Monitoring to Executive 14/02/2019	Quarter 1 Revenue & Capital Monitoring to Executive 26/07/2018
SR5	Governance & Leadership Lack of a clear corporate direction	CEO	9	9	81	9	3	27	↑	Tolerate	30/09/2019	CEO	New 2020-2030 to be developed over Spring & Summer.	LSC retender in progress Service Reviews in progress
	Challenge to Authority's powers to raise the Levy on all constituent councils	CEO	9	9	81	9	1	9	↕	Tolerate	Quarterly Monitoring 24/01/2019	CEO	Ongoing	Ongoing



STRATEGIC RISK REGISTER AS AT 14 FEBRUARY 2019

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Total Score	Tolerate/Transfer/Treat/Eliminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers(s) Responsible	Updated Comments 14/02/2019	Comments 20/09/2018	
		Lead	Impact	Likelihood	Total Score	Existing Controls	Source of Assurance	Impact	Likelihood								Total Score
SR6	Reputation/Communication Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	HC	7	5	35	 Existing Controls Managed via Contract Stakeholder updates Feedback/liaison with Trust Stakeholder Communications Speaker engagements Existing media relations	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	6	3	18	 	Treat	Regular client meetings	Quarterly Monitoring Report	HC	Continued engagement with stakeholders (including major events), media relations and joint promotional work with the Trust	Continued engagement with stakeholders (including major events), media relations and joint promotional work with the Trust
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	 Emergency Action Planning Disaster Recovery Plan Business Interruption Insurance Adequate Cover arrangements exist for Senior Management Site DRP & Management Plans Joint Trust/Authority Training Insurance Policies/Funds General Reserves H&S Audits Working with EA/CRT and other Local Authorities	EA -Annual Audit Letter IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly	5	3	15	 	Treat/Transfer	Audit Recommendations implemented Further training and Trust Risk Register - alignment re risk and continuity	Quarterly Monitoring	HSL	As per September plus the Trust have responded to written concern with their new management structure and processes.	Officers have reviewed processes to best manage this area between now and the new LSC starting in 2020. Event planning is conducted on an event by event basis.
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	 Site investigations carried out prior to developments & land remediated. Site investigations carried out on some other sites. Some sites monitored. Sites closed to public access where contamination is significant. Contaminated Land Policy Member Task & Finish group Completion of Contaminated Land Strategy & Policy Consultant Site Investigations work completed.	M 1/4ly Authority Meetings M Working Groups M Exec Monthly SMT Weekly Meeting Minutes	7	2	14	 	Tolerate	Ongoing monitoring	Ongoing Monitoring plus analysis when land sold/purchased or developed	DCS	Ongoing monitoring in line with Land Contamination Strategy & Policy	Ongoing monitoring in line with Land Contamination Strategy & Policy



STRATEGIC RISK REGISTER AS AT 14 FEBRUARY 2019

Risk ID	Risk Name	Inherent Risk Score					Residual Risk Score					Total Score	Treat (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers(s) Responsible	Updated Comments 14/02/2019	Comments 20/09/2018
		Lead	Impact	Likelihood	Source of Assurance	Existing Controls	Impact	Likelihood	Source of Assurance	Existing Controls								
SR9	<b>Major Business Developments</b> <b>Ice Centre</b> Failure in Strategic Risks 1-8 above in the development of the Ice Centre circa £38m project and Legal Challenge	CEO	9	8	72	 Existing Controls Legal Advice Prudential Code Feasibility Studies Member Steering Group Existing PR/Comms Feasibility budget Working with LB Waltham Forest Planning Advice	 EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	9	7	63	 Treat (if Treat, further actions needed)	Planning Approval Business Plan Design Team Engagement stakeholders, users and local community	30/04/2019	HSL	Design work progressing well & discussions with WF re formal pre applications. Members consider the next stage in April.	Executive report - Twin pad alternative approach 26/07/2018. Report back in early 2019.		
	<b>Picketts Lock Development</b> Failure in Strategic Risks 1-8 above in the development of the Picketts Lock circa £40m project and Legal Challenge	CEO	8	8	64	 Legal Advice Prudential Code Feasibility Studies Existing PR/Comms Working with LB Enfield Land & Planning Advice Property Member Group	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	8	7	56	 Treat	Planning Approval Business Plan Design Team Engagement stakeholders, users and local community	31/03/2019	DCS	Public announcement of the WAVE in November 2018. Site investigations progressing.	Project in initial phases report to Executive 20/09/2018		
	<b>Leisure Services Contract Retender</b> Failure in Strategic Risks 1-8 above in the retender of the Leisure Services Contract circa £20m and potential Legal Challenge	CEO	9	5	45	 Legal Advice Procurement Regulations Medium Term Financial Plan Existing PR/Comms External Consultants Member Steering Group	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	8	5	40	 Treat	Market Engagement Specification	31/09/2019	CEO	See new project specific sub Register. Contractors open day completed. ITT stage due to start at the end of March 2019.	Market engagement returns received. OJEU notice to be published in November. Tender exercise on target		



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Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Updated Comments 14/02/2019	Comments 20/09/2018
		Lead	Impact	Likelihood	Lead	Impact	Likelihood				
SR10	Implications of Implementing Land & Property Strategy Purchases- Opportunity Cost of Resources, Reducing Available Resources or increasing future liabilities	DCS	8	6	48	8	4	32	HoP	Considering any areas of land identified by the Land & Property Working Group that are offered for purchase. Reporting to Executive as matters progress.	Considering any areas of land identified by the Land & Property Working Group that are offered for purchase. Reporting to Executive as matters progress.
SR11	Disposals - Legal challenge, Reputational Damage, reduced public access or bio diversity. Failure to deliver land disposal due to the constraints imposed by the riparian boroughs/districts and other agencies, e.g. green belt/flood risk/contaminated land	DCS	8	7	56	8	7	56	HoP	Progressing land disposals identified by the Land & Property Working Group. Reporting to Executive as matters progress.	Progressing land disposals identified by the Land & Property Working Group. Reporting to Executive as matters progress.
SR11	Impact of Brexit on Authority Failure in Strategic Risks 1-10 above due to changes in the Economic and Business climate brought about by changes following the departure from the European Union	CEO	7	9	63	7	6	42	DF/DCS	Potential risk needs ongoing monitoring particularly in relation to finances and future strategic investments, and 3rd party contacts	N/A

495

Score 45-81 High Risk  
Score 18-42 Moderate risk  
Score 1- 16 Low risk



Progress in a positive direction ie reducing the risk  
Progress is negative and risk is getting worse.  
Progress static subject to actions or as risk is "tolerated"



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LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 14 FEBRUARY 2019

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments 14/02/2019	Comments 22/11/2018	
		Lead	Impact	Likelihood	Lead	Impact	Likelihood									
SR1	Legal Failure to comply with Public Procurement Regulations	DCS	7	9	63			5	1	5	Tolerate	HSL	OJEU notice published 03/12/18. Ongoing support of Audit and external consultants.	Ongoing		
															Existing Controls	Provision of Legal Services Member scrutiny through LSC Working Group, Authority & Committee meetings Ext Consultants Support Internal Audit
															Source of Assurance	EA Ext Audit IA Int Audit SMT Sr Mgmt Team RD H&S Members M BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult PR Performance Review
SR2	Contractual New contractual arrangements not in place by 1 April 2020	DCS	7	8	56			7	5	35	Treat	DCS	LSC officer project management group plus agreed timetable	Ongoing		
															Existing Controls	Reports to SMT and Members Financial/Legal/Risk implications fully appraised. Ext Consultants Support In house staff work plans prioritised Project Timetable/Plan
															Source of Assurance	SMT Weekly Meeting Minutes M Exec Monthly M LSC Group EC advice LA contract
	Existing Service deteriorates as current contract nears end causing failure to delivering on agreed objectives, contractual requirements or terminating contract prior to commencement of new contract	DFR	6	6	36			6	4	24	Treat	DFR	Q3 LSC monitoring Report 14/02/19	Quarterly Monitoring		
															Existing Controls	Delivery monitored by Director/Head of Service and performance monitoring team Quarterly Performance Reports to Executive & Scrutiny Committees.
															Source of Assurance	M Exec Monthly M Scrutiny 1/4ly IA Audit Plan SMT Weekly Meeting Minutes LA current contract
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36			9	3	27	Treat	APMD	Capital budget approved to increase investment for next two years.	Condition survey programme for works to be agreed as part of budget process		
															Existing Controls	Advice and support APMD plus external contractors. Quality contractors employed for maintenance through procurement (Price Quality ratio applied). Performance department regular inspections carried out
															Source of Assurance	APMD Annual Inspections PR Monthly inspections M Exec Monthly M Scrutiny 1/4ly











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Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				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 14/02/2019	Comments 22/11/2018
		Lead	Impact	Likelihood	Total Score	Existing Controls	Source of Assurance	EA Ext Audit	IA Int Audit									
SR 3	<b>Resources</b> Inadequate I.T. Infrastructure/ Systems/Data for new LSC.	DFR	7	5	35	<p>Existing Controls</p> <p>Reports to Exec Financial/Legal/Risk Implications fully appraised. Appraisal of relocation/updating of Authority IT assets New Usage Counters Project Existing IT Infrastructure Budget</p>	<p>Source of Assurance</p> <p>EA Ext Audit</p> <p>IA Int Audit</p> <p>SMT Sr Mgmt Team</p> <p>RD H&amp;S Members</p> <p>BSC H&amp;S</p> <p>LA Legal Advice</p> <p>APWD Asset Mgmt Team</p> <p>EC Ext Consult</p> <p>PR Performance Review</p>	7	5	35	<p>↑</p>	Treat	Review for Procurement process Review for new Contract post 2020	31/03/2019	DFR	IT service decoupled - staff returned to Authority	Ongoing review and monitoring to LSC working group up to April 2019	
	Inadequate Support Services to mitigate legal challenge during procurement process and to ensure adequate resources for contract mobilisation	DFR	7	8	56	<p>Approved Process Authority Secondments resolved TUPE agreements Initial staff transfers confirmed Staff re-induction to LVRPA Internal/External communications</p>	<p>SMT Weekly Meeting Minutes</p> <p>IA Audit Plan</p> <p>EC - LSC Specification</p>	6	4	24	<p>↑</p>	Treat	Support Services Review implemented for the time between Nov 2018 to Oct 2019 then post April 1st 2020	31/10/2019	DFR	Decoupling in progress and staff returning to Authority on phased approach.	Approved LSC working Group and Executive on September 2018	
SR 4	<b>Financial Management</b> Financial Risks of contractor failure and Authority to assume control of venues	DFR	9	6	54	<p>Authority monitoring Meetings Joint Board Meetings £4m Minimum Reserves Policy Statutory Power to Levy</p>	<p>M Exec 1/4ly M Authority Annual Budget</p> <p>SMT Monthly &amp; 1/4ly Reports</p>	9	4	36	<p>↑</p>	Treat	Budget Review & MTFP Explore the setting up of skeleton trust	31/03/2019	DCS	Requirement to set up skeleton Trust to manage risk.	Requirement to set up skeleton Trust to manage risk.	
SR5	<b>Governance &amp; Leadership</b> Contractor fails to provide the governance structures and leadership to deliver the statutory, financial and best practice requirements of the contract.	CEO	7	7	49	<p>Authority/Contractor SMT meetings Joint Chairs meetings contract Performance Monitoring Compliance with statutory bodies eg Charities commission/company law</p>	<p>M 1/4ly Authority Meetings</p> <p>M Working Groups</p> <p>M - Exec Monthly</p> <p>SMT Weekly Meeting Minutes</p> <p>EA Ext Audit</p> <p>IA Int Audit</p>	7	4	28	<p>↑</p>	Treat	Review Authority/ Contractor SMT meetings. LSC Rentender documentation Specification compliance and due diligence	30/11/2019	CEO	Tender Specification sets out clear guidelines. Support advice from auditors	Ensure existing contractor and any potential new contractor meets all statutory requirements in existing & new LSC.	



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		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Comments										
SR6	<p><b>Reputation/Communication</b></p> <p>Retendering of the contract requires engagement in the wider market including the existing contractor. Failure to deliver a fair and transparent process could damage the Authority's reputation in this and future tendering processes</p>	HSL	7	7	49		<p>Existing Controls</p> <p>External Consultants Employed (SLC) to support in-house legal specialists and Authority SMT Authority Governance structures Authority Legal Team Comms team Internal/External auditors</p>	<p>Source of Assurance</p> <p>EA Ext Audit</p> <p>IA Int Audit</p> <p>SMT Sr Mgmt Team</p> <p>RD</p> <p>H&amp;S</p> <p>M</p> <p>Members</p> <p>BSC H&amp;S</p> <p>LA Legal Advice</p> <p>APMD Asset</p> <p>Mgmt Team</p> <p>EC Ext Consult</p> <p>PR Performance Review</p>	5	7	35		  	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	<p>PR/Comms team to manage external communications</p> <p>Employment of Stakeholder engagement consultants</p>	31/03/2019	HSL	<p>OJEU notice published. Contractor open days. Clarification questions answered. On-line portal for monitoring</p>	<p>Comments</p> <p>14/02/2019</p> <p>22/11/2018</p>
SR7	<p><b>Business Continuity</b></p> <p>Inadequate business continuity implementation during procurement phase and during mobilisation of new contract.</p>	CEO	7	7	49		<p>Emergency Action Planning</p> <p>Disaster Recovery Plan</p> <p>Business Interruption Insurance Adequate</p> <p>Cover arrangements exist for Senior Management</p> <p>Site DRP &amp; Management Plans</p> <p>Joint Trust/Authority Training</p> <p>Insurance Policies/Funds</p> <p>General Reserves</p> <p>H&amp;S Audits</p> <p>Services Decoupling IT/ HR/Finance</p>	<p>EA - Annual Audit Letter</p> <p>IA Audit Plan and monitoring visits</p> <p>SMT Weekly Meeting Minutes</p> <p>M Exec Monthly</p>	7	5	35			Treat	<p>Audit Recommendations implemented</p> <p>Further training and testing.</p> <p>Align Contractor Risk Register - to Authority risk register to ensure continuity</p>	Quarterly Monitoring	HSL	<p>Authority has written to Trust to obtain the assurances required between now and the end of the current contract.</p> <p>Ongoing monitoring continues plus quarterly reports to Executive.</p>	<p>Officers have reviewed processes to manage this area between now and the new LSC starting in 2020.</p> <p>Processes in place to update Incident Management Plans</p> <p>Event planning is conducted on an event by event basis.</p>

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 14 FEBRUARY 2019

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments	
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	(if Treat, further actions needed)					
SR8	<b>Major Business Developments</b> Leisure Services Contract Retender Failure in Strategic Risks 1-7 above in the retender of the Leisure Services Contract	CEO	9	5	45	8	5	40	Treat	Scoring team who will be independently trained to score the bids. Separate panel three officers (1 external) who will be the check and challenge for all areas relating to the scoring. Internal Audit	31/10/2019	CEO	Comments set out above. Tender Exercise on target	Comments 22/11/2018
	Leisure Services Contract Retender Failure to appoint contractor for new Leisure Service Contract.	CEO	8	3	24	8	3	24	Treat	Explore setting up a skeleton trust to be established as part of Business Continuity Plan for maintaining service provision.	30/11/2019	CEO	Ongoing	OJEU notice to be published in December. Tender exercise on target. LVRPA to ensure skeleton trust and business continuity process set up in advance.

584

373

Score 45-81 High Risk  
 Score 18-42 Moderate risk  
 Score 1-16 Low risk

Progress in a positive direction ie reducing the risk  
 Progress is negative and risk is getting worse.  
 Progress static subject to actions or as risk is "tolerated"



### Risk Appetite

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