

RISK REGISTER 2019/20

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 the 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 risk management strategy and corporate risk register assists Members in their consideration and approval of the Annual Governance Statement as a key part of the financial statements. 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 the 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 2019 (Paper AUD/104/19).
- 10 Since the September Committee officers have incorporated approved Member revisions, reviewed the register, considered potential new risks and the scoring. This includes the risk sub-register that 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	Residual Risks 21 June 2018	Residual Risks 20 September 2018	Residual Risks 14 February 2019	Residual Risks 20 June 2019	Residual Risks 19 September 2019	Residual Risks 27 February 2020
	4	4	3	3	2	3
	7	7	9	9	9	7
	7	7	7	7	8	9
Total Risks	18	18	19	19	19	19
Notional Score	596	461	495	479	462	478

- 12 The key point to note since the last review of the register is the overall increase in the corporate risk register residual notional score. This is due to the increased operational and financial risks from the LSC Contract Retender (SR9) – moving from amber to red. This is also reflected within the sub-register where some of the individual risks are showing a deterioration. Decisions taken to mitigate these risks have been approved by full Authority and monitoring of these risks is taking place at Executive Committee, Senior Management and officer level. A verbal update will be presented at Committee to advise Members regarding progress.

Changes to the register are in red font to indicate changes since the last Audit Committee risk register paper and the changes due to risks within SR9 and the sub-register are highlighted red.

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 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 REPORT

Lee Valley Regional Park Authority Risk Management Strategy June 2018

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/104/19	Risk Register 2019/20	19 September 2019
Audit Committee	AUD/101/19	Risk Register 2019/20	20 June 2019
Audit Committee	AUD/97/19	Risk Register 2018/19	14 February 2019
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	2019/20 Corporate Risk Register – Authority
Appendix B	2019/20 Sub Register LSC retender (SR9)
Appendix C	Risk Scoring Criteria (extract from the approved risk management strategy (June 2018))

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Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 27/02/2020	Updated Comments 19/09/2019
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
SR1	Legal Failure to comply with the 1966 Park Act and other statutory requirements.	DCS	8	7	6	1	6	Continue Induction Process and monitoring of statutory changes	Quarterly	DCS	Ongoing	Ongoing
		DFR	9	6	7	2	14	Annual Internal Audit & H&S Audit Plans delivered.	31/03/2020	DFR	Annual Audits in progress and annual report to members in June (AUD102/19)	Annual Report & new year Plan approved June Audit Committee (AUD102/19)
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	8	2	16	Ongoing resources review for specific projects	Quarterly	DCS/DFR	Ongoing	Ongoing
		DFR	7	6	6	2	12	Quarterly Contract monitoring.	Executive Quarterly Monitoring	HSL	Contracts working well and an extension to the Health & Safety contract has been agreed and will start April 1st. Contractor appointment for new LSC delay.	Contracts working well with few issues. The Trusts performance is the LSC is detailed within the Sept Exec Members paper.
		DCS	9	4	7	3	21	Ongoing Monitoring	Annual Inspections & Review. MPG Work complete by 31.12.19	APMD	Maintenance Performance Guide audits being undertaken by Performance Team and then reviewed by APMD team.	
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	7	3	21	Ongoing Monitoring	Annual Inspections & Review. MPG Work complete by 31.12.19	APMD	Maintenance Performance Guide audits being undertaken by Performance Team and then reviewed by APMD team.	Maintenance Performance Guide audits being undertaken by Performance Team and then reviewed by APMD team.

STRATEGIC RISK REGISTER AS AT 27 FEBRUARY 2020

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 27/02/2020	Updated Comments 19/09/2019		
		Lead	Impact	Likelihood	Total Score	Existing Controls	Source of Assurance	Impact	Likelihood						Total Score	Tolerance/Transfer/Treat/Eliminate (if Treat, further actions needed)
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	 <p>Existing Controls</p> <p>Reports to Members Financial/Legal/Risk Implications fully appraised. Financial Appraisal of schemes in accordance with prudential code. Existing IT Infrastructure budget £100K pa</p>	 <p>Source of Assurance</p> <p>EA Ext Audit IA Int Audit SMT Sr Mgmt Team RD H&S M Members S&C H&S LA Legal Advice AP/MD Asset Mgmt Team EC Ext Consult</p>	8	3	24	 <p>Treat</p>	Support Services Review for new Contract post 2020	31/03/2020	DFR	<p>Payroll implementation underway and completed by March. Systems decoupling ongoing</p> <p>Payroll review complete requires SMT sign-off. Systems decoupling ongoing</p>	
SR 4	Financial Management The Authority fails to recruit/retain staff at all levels of the appropriate calibre	CEO	8	8	64	 <p>Existing Controls</p> <p>Reward & Recognition Training & development framework Management Away Days Staff presentations Internal/External communications Up to date staff handbook Up to date policies</p>	 <p>Treat</p>	4	4	16	On-going Monitoring	On-going	CEO/DFR	<p>Support Services decoupling complete. HR/D Strategy drafted as part of 2020-25 business plan. New management structure approved by Executive.</p> <p>Support Services decoupling for final 3 posts. HR & LD Strategy drafted as part of 2020-25 business plan. New Management Structure review underway.</p>		
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	 <p>Existing Controls</p> <p>Budget monitoring reports Authority/Trust monitoring Meetings Joint Chairs Meeting Budget Review 2020/21 complete Medium Term Financial Plan £3.4m Minimum Reserves Policy Statutory Power to Levy</p>	 <p>Treat</p>	7	2	14	Budget Review 2020/21	23/01/2020	DFR	<p>Medium Term Financial Plan, key aspects of 2025 business plan all considered as part of Budget and Levy Paper in January.</p> <p>New 2020-25 business plan and MTFP for Members consideration during Autumn 2019</p>		








STRATEGIC RISK REGISTER AS AT 27 FEBRUARY 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers Responsible	Updated Comments 27/02/2020	Updated Comments 19/09/2019
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
SR5	Governance & Leadership Lack of a clear corporate direction	CEO	9	9	81	9	2	18	CEO	Medium Term Financial Plan, key aspects of 2020-2025 business plan all considered as part of Budget and Levy Paper in January. Ongoing financial risks due to SR9 and subject to Executive & SMT Monitoring	New business plan prepared for 2020-2025 ahead of the budget round in the Autumn.	
SR6	Reputation/Communication Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	CEO	9	9	81	9	1	9	CEO	Quarterly Monitoring 23/01/2020	Ongoing	
SR6	Reputation/Communication Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	HC	7	5	35	6	3	18	HC	Quarterly Monitoring Report	Ran proactive summer campaign for 6 weeks as a park as a destination. Used Canoe Stalom World Cup 2019 to engage stakeholders. Continued work with Trust on brand	

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		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
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	Quarterly Monitoring	HSL	Process in place for 2019/20. Health Safety contract review to ensure fit for purpose come the start of the new LSC and 2025 business plan.	Process in place for 2019/20. Health Safety contract review to ensure fit for purpose come the start of the new LSC and 2025 business plan.
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 plus analysis when land sold/purchased or developed	DCS	Process in place for 2019/20. Health Safety contract review to ensure fit for purpose come April 1st but this is now being revised to reflect the venue coming back in house.	Ongoing monitoring in line with Land Contamination Strategy & Policy

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Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score				
SR9	Major Business Developments Ice Centre Failure in Strategic Risks 1-8 above in the development of the Ice Centre circa £30m 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	 Total Score 63	 Treat (if Treat, further actions needed)	Planning Approval Business Plan Design Team Engagement stakeholders, users and local community	08/10/2020	HSL	The planning application was submitted in December 2019 and validated in January 2020. The consultation period is now underway and stage 4 design will start in March along with the procurement of a contractor to build the venue.	Updated Comments 27/02/2020
	Picketts Lock Development Failure in Strategic Risks 1-8 above in the development of the Picketts Lock circa £40m project and Legal Challenge	CEO	8	8	64	 Existing Controls Legal Advice Prudential Code Feasibility Studies Existing PR/Comms Feasibility budget Working with LB Enfield Planning Land & Property Member Group	 Total Score 56	Treat	Planning Approval Business Plan Design Team Engagement stakeholders, users and local community	31/03/2020	DCS	Site investigations completed. Further discussions with developer and London Borough of Enfield ongoing.	Site investigations ongoing.
	Leisure Services Contract Retender 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	 Existing Controls Legal Advice Procurement Regulations Medium Term Financial Plan Existing PR/Comms External Consultants Member Steering Group Market Engagement & Specification Tender Exercise Complete	 Total Score 72	Treat	Tender Evaluation Award of Contract	31/03/2020	CEO	Bid and final submissions due mid September and final evaluation. Member report re contract award in October	Bid and final submissions due mid September and final evaluation. Member report re contract award in October

STRATEGIC RISK REGISTER AS AT 27 FEBRUARY 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 27/02/2020	Updated Comments 19/09/2019
		Lead	Impact	Likelihood	Total Score	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	7	2	14	31/03/2020	HoP	Property now purchased. No new purchases currently planned.	Property returned to in previous comment returned to the market and the Authority's offer has now been accepted and the acquisition is currently proceeding.
	Disposals - Legal challenge, Reputational Damage, reduced public access or biodiversity. Failure to deliver anticipated capital resources through 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	5	40	31/03/2020	HoP	All planned 2019/20 disposals completed.	These disposals completed early in 2019/20 with one further due for completion. Risk likelihood reduced to moderate.
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	6	6	36	Ongoing	DF/ DCS	Potential risk needs ongoing monitoring particularly in relation to finances and future strategic investments, and 3rd party contacts	Potential risk needs ongoing monitoring particularly in relation to finances and future strategic investments, and 3rd party contacts

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Score 45-51 High Risk
Score 18-42 Moderate risk
Score 1 - 16 Low risk



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

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 27 FEBRUARY 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Source of Assurance	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	Comments
		Lead	Impact	Likelihood	Lead	Impact	Likelihood											
SR1	Legal Failure to comply with Public Procurement Regulations	DCS	7	9	63	5	1	5	High	LA In house IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly M LSC Group	Provision of Legal Services Member scrutiny through LSC Working Group, Authority & Committee meetings Ext Consultants Support Internal Audit	Tolerate	Continue to receive external consultancy advice and report to Members	Monthly	HSL	Members received and approved report on final assessed tenders and appointed highest scorer	Best and Final submissions due mid September and final evaluation. Member reports re contract award in October	
	Process delayed by legal challenge before November 1st 2019	DCS	7	8	56	9	8	72	High	LA In house IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly M LSC Group EC advice	Provision of Legal Services Member scrutiny through LSC Working Group, Authority & Committee meetings Ext Consultants Support In house staff work plans prioritised	Treat	On going monitoring and assessment of procurement at Officer & Member commissioning groups. Report on outcome of tendering process	Weekly	HSL	Contract awarded by November 1st 2019	Ongoing	
SR2	Contractual New contractual arrangements not in place by 1 April 2020	DCS	7	8	56	9	8	72	High	SMT Weekly Meeting Minutes M Exec Monthly M LSC Group EC advice LA contract	Reports to SMT and Members Financial/Legal/Risk implications fully appraised. Ext Consultants Support In house staff work plans prioritised Project Timetable/Plan	Treat	Ongoing resources review for contracts Work plan priority	Weekly	DCS	Contract awarded by November 1st 2019	LSC officer project management group plus agreed timetable. Plus list/dst	
	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	Medium	M Exec Monthly M Scrutiny 1/4ly IA Audit Plan SMT Weekly Meeting Minutes LA current contract	Delivery monitored by Director/Head of Service and performance monitoring team Quarterly Performance Reports to Executive & Scrutiny Committees.	Treat	Quarterly Contract monitoring. Contractor Service Plan for 2019/20 Agreed	Executive Quarterly Monitoring	DFR	Q2 LSC monitoring report to Executive 19/09/19 Q3 LSC monitoring report due to Executive 19/12/19. Q3 LSC monitoring report due to Executive 27/02/20.	Q1 LSC monitoring report to Executive 19/09/19	
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36	9	3	27	High	APMD Annual Inspections PR Monthly inspections M Exec Monthly M Scrutiny 1/4ly	Advice and support APMD plus external contractors. Quality contractors employed for maintenance through procurement (Price Quality ratio applied). Performance department regular inspections carried out	Treat	Ongoing Monitoring Implement pre 2020 condition survey work	Annual/ Monthly Inspections & Review.	APMD	Asset Management plan 2019/20 and 2020/21 to address condition survey	Asset Management plan 2019/20 and 2020/21 to address condition survey	

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 27 FEBRUARY 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers(s) Responsible	Comments
		Lead	Impact	Likelihood	Impact	Likelihood	Total Score				
SR 3	Resources Inadequate I.T. Infrastructure/ Systems/Data for new LSC.	DFR	7	5	35	7	8	56	31/03/2020	DFR	Comments 27/02/2019 Systems and licenses decoupling progressing Payroll review re post 2020 requirements complete and awaiting SMT sign-off.
											Systems and licenses decoupling progressing Payroll review re post 2020 requirements complete and awaiting SMT sign-off.
	Inadequate Support Services to mitigate legal challenge during procurement process and to ensure adequate resources for contract mobilisation	DFR	7	8	56	6	1	6	31/10/2019	DFR	Support Services Decoupling complete. Support Services decoupling for final 3 posts completed over next couple of months
SR 4	Financial Management Financial Risks of contractor failure and Authority to assume control of venues	DFR	9	6	54	9	6	72	31/03/2019	DCS	Members approved the temporary transfer back to the Authority with a challenge account. Planned Autumn action.
SR5	Governance & Leadership 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	7	2	14	30/11/2019	CEO	Best and Final submissions due mid September and final evaluation. Final bidders meet requirements. Preferred bidder selected and approved and meets requirements

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 27 FEBRUARY 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments 27/02/2019	Comments 19/08/2019			
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood						Total Score		
SR6	<p>Reputation/Communication</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</p> <p>RD</p> <p>H&S</p> <p>M</p> <p>Members</p> <p>BSC H&S</p> <p>LA Legal Advice</p> <p>APMID Asset Mgmt Team</p> <p>EC Ext Consult</p> <p>PR Performance Review</p>	<p>5</p> <p>1</p> <p>5</p>	<p>5</p> <p>1</p> <p>5</p>	<p>Tolerate</p>	<p>PR/Comms team to manage external communications</p> <p>Employment of Stakeholder engagement consultants</p>	<p>31/05/2019</p>	HSL	Complete	Complete
SR7	<p>Business Continuity</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>IT Disaster Recovery Plan</p> <p>Business Interruption Insurance Adequate</p> <p>Cover arrangements exist for Senior Management</p> <p>Site DRP & Management Plans Joint</p> <p>Trust/Authority Training</p> <p>Insurance Policies/Funds</p> <p>General Reserves</p> <p>H&S Audits</p> <p>Support 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>	<p>7</p> <p>4</p> <p>28</p>	<p>7</p> <p>4</p> <p>28</p>	<p>Treat</p>	<p>Audit Recommendations Implemented</p> <p>Further training and testing</p> <p>Align Contractor Risk Register - to Authority risk register to ensure continuity</p>	<p>Quarterly Monitoring</p>	HSL	Authority contract mobilisation team in place work programmes and activities in progress. This is being adjusted based on the decision to bring the venue back in house for a period of time.	Trust provided assurance between now and the end of the current contract. Ongoing monitoring continues plus quarterly reports to Executive.

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 27 FEBRUARY 2020

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		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
SR8	Major Business Developments Leisure Services Contract Retender Failure in Strategic Risks 1-7 above in the retender of the Leisure Services Contract	CEO	9	5	45	9	8	72	31/10/2019	CEO	Members approved the temporary tender pack in favour with legal challenges remaining	Comments set out above. Tender Exercise still on target
	Leisure Services Contract Retender Failure to appoint contractor for new Leisure Service Contract.	CEO	8	3	24	9	8	72	30/11/2019	CEO	Members approved the temporary tender pack in favour with legal challenges remaining	Submissions received and subject to evaluation should allow one to be appointed as preferred contractor.

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453

Score 45-61 High Risk
 Score 18-42 Moderate risk
 Score 1-16 Low risk

Progress in a positive direction is 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