

To: Frances Button (Chairman) Claudia Webbe
John Bevan John Wyllie
Christine Hamilton Vacancy
Simon Walsh

A meeting of the **AUDIT COMMITTEE** (Quorum – 3) will be held at these offices on:

THURSDAY, 20 JUNE 2019 AT 14:00

at which the following business will be transacted:

AGENDA

1 To receive apologies for absence

2 **DECLARATION OF INTERESTS**

Members are asked to consider whether or not they have disclosable pecuniary, other pecuniary or non-pecuniary interests in any item on this Agenda. Other pecuniary and non-pecuniary interests are a matter of judgement for each Member. (Declarations may also be made during the meeting if necessary.)

3 **MINUTES OF LAST MEETING**

To approve the Minutes of the meeting held on 14 February 2019 (copy herewith)

4 **PUBLIC SPEAKING**

To receive any representations from members of the public or representative of an organisation on an issue which is on the agenda of the meeting. Subject to the Chairman's discretion a total of 20 minutes will be allowed for public speaking and the presentation of petitions at each meeting.

5 **ANNUAL REPORT ON THE WORK OF INTERNAL Paper AUD/98/19**
AUDIT 2018/19 AND AUDIT PLAN 2019/20

Presented by Simon Sheldon, Director of Finance & Resources

6 **ANNUAL REPORT ON HEALTH & SAFETY AND Paper AUD/102/19**
HEALTH & SAFETY AUDIT PLAN 2019/20

Presented by Simon Sheldon, Director of Finance & Resources

- 7 ANNUAL GOVERNANCE STATEMENT 2018/19 Paper AUD/100/19
Presented by Simon Sheldon, Director of Finance & Resources
- 8 RISK REGISTER 2019/20 Paper AUD/101/19
Presented by Simon Sheldon, Director of Finance & Resources
- 9 ANNUAL EXTERNAL AUDIT FEE 2019/20 Paper AUD/99/19
Presented by Simon Sheldon, Director of Finance & Resources
- 10 EXTERNAL AUDIT PROGRAMME 2018/19 UPDATE
Oral update from the External Auditor Neil Harris
- 11 URGENT BUSINESS
Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.
- 12 EXEMPT ITEMS
Consider passing a resolution based on the principles of Section 100A(4) of the Local Government Act 1972, excluding the public and press from the meeting for the items of business listed on Part II of the Agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those sections of Part I of Schedule 12A of the Act specified beneath each item. (There are no items currently listed for consideration in Part II.)

12 June 2019

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

**AUDIT COMMITTEE MINUTES
14 FEBRUARY 2019**

Members Present: Frances Button (Chairman) Claudia Webbe
John Bevan John Wyllie
Derek Levy (Deputy for Christine Hamilton)

Apologies Received From: Christine Hamilton, Simon Walsh

Officers Present: Simon Sheldon - Director of Finance & Resources
Beryl Foster - Director of Corporate Services
Keith Kellard - Chief Accountant
Dan Buck - Head of Sport & Leisure
Lindsey Johnson - Committee Services Officer

Also Present: Neil Harris - Ernst & Young

Part I

The Chairman welcomed Neil Harris from Ernst & Young to his first meeting.

The Chairman also advised Members that there was still a vacancy on the Audit Committee and that the resolution was currently in the hands of the Authority Chairman.

152 DECLARATIONS OF INTEREST

There were no declarations of interest.

153 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 20 September 2018 be approved and signed.

154 PUBLIC SPEAKING

No requests from the public to speak or present petitions had been received for this meeting.

**155 ACCOUNTING POLICIES AND ACCOUNTS CLOSEDOWN Paper AUD/95/19
TIMETABLE 2018/19**

The report was introduced by the Chief Accountant, who informed Members that it is a key requirement to close our Financial Accounts under the Accounting and Audit Regulations 2015 in accordance with International Financial Reporting Standards.

The Chairman commented on how detailed the closedown timetable is and expressed confidence that this detail gave her. The Chairman expressed her thanks to Ernst & Young and the Finance team for their work in getting the Financial Accounts completed so quickly.

AUDIT COMMITTEE MINUTES 14 FEBRUARY 2019

A Member noted that the closedown timetable was only 4 months and asked if it was enough time to prepare everything. The Chief Accountant responded stating that we achieved this timescale last year with plenty of time to spare and did not foresee any problems this year.

- (1) the Accounting Policies set out in Appendix A to Paper AUD/95/19;**
- (2) the Draft Closedown Timetable set out in Appendix B to Paper AUD/95/19;**
- (3) a special Audit Committee to approve and sign-off the accounts and to receive the annual Audit Results report on 4 July 2019 following the AGM was approved; and**
- (4) the review of accounting policies set out from paragraph 2 and the key judgements and assumptions set out in paragraphs 11 to 14 of Paper AUD/95/19 was noted.**

Claudia Webbe arrived during the next item.

156 EXTERNAL AUDIT 2018/19 – AUDIT PLAN

Paper AUD/96/19

The report was introduced by the Director of Finance & Resources explaining that this is the interim and final accounts audit. He also informed Members that the auditors' fee will be £14,337.

Neil Harris from Ernst & Young introduced the Audit Plan report, key points included:

- there has been a detailed handover with your previous auditor, Debbie Hansen;
- there is a new area of focus for the 'incorrect capitalisation of revenue expenditure' and a new risk has been identified 'new accounting standards';
- materiality is consistent with last year and set at 2%;
- performance materiality is in a stable position and set at 75%; and
- value for money has identified 2 significant risks, 'delivery of a robust medium term financial plan' and 'commercialisation decisions to generate income and maximise the return from assets', therefore it is possible that he may wish to increase the auditors' fee.

The Chairman expressed concern about the possibility of the auditors' fee increasing and asked for further explanation. Neil Harris responded stating that last year there was significant movement in pension values with a number of local authorities which resulted in them having to re-run their reports to ensure up to date figures and advised that we leave our pensions report until as late as possible. The Director of Finance & Resources responded stating that LPFA have been instructed to do our calculation and he believes that it will be done close to year end but will be in touch with them to find out.

Neil Harris stated that the audit fee is set independently by PSAA who based the fee on the assumption that the Authority is a non-complex organisation, however our asset portfolio and decisions we are making on commercial ventures potentially make LVRPA a more complex organisation. The auditor's concern is that there is potentially more audit work than that prescribed for in the fee. Whilst not saying that there will be an increase in the auditors' fee, he is merely being transparent about what might happen. Any requirement to increase the fees due to increased audit work would be subject to discussion and comment by management and would

AUDIT COMMITTEE MINUTES 14 FEBRUARY 2019

need to be approved by this committee. Any variation or rebase to the fee is also subject to approval by the PSAA.

A Member asked what would happen if Ernst & Young did ask for an increase in the auditors' fee and we disagree and refuse to pay it, would the auditors' work be scaled back? Neil Harris replied stating that it was his professional responsibility to deliver the audit and as such ultimately Ernst & Young would have to absorb any additional fees.

- (1) the External Auditors' Audit Plan for 2018/19 (Sections 1 and 2) attached at Appendix A to Paper AUD/96/19; and**
- (2) the proposed annual audit fee for 2018/19 as set out in the financial implications was noted.**

Derek Levy left the meeting.

157 RISK REGISTER 2018/19

Paper AUD/97/19

The report was introduced by the Director of Finance & Resources who informed Members that the key changes are:

- the inclusion of a sub-register of the Leisure Services Contract retender (SR9);
- movement in overall scoring for SR9 down from red to amber due to the actions already implemented;
- addition of a broader definition of SR10 regarding land disposals as requested by Members at the last Committee and the potential risk of sales within the Green Belt;
- proposed inclusion of new corporate risk relating to the potential impact of Brexit.

A Member asked if the Sub Risk Register at Appendix B was completed by the Authority or the Trust. The Head of Sport & Leisure responded stating that it was completed by the Authority and is to do with the procurement of the new Leisure Services Contract.


- (1) the Corporate Risk Register included at Appendix A and the sub-register at Appendix B of Paper AUD/97/19 was approved.**

Chairman

Date

The meeting started at 12.45pm and ended at 1.20pm.

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 <p>LEE VALLEY REGIONAL PARK AUTHORITY</p> <p>AUDIT COMMITTEE</p> <p>20 JUNE 2019 AT 14:00</p>	<p><u>Agenda Item No:</u></p> <p>5</p> <p><u>Report No:</u></p> <p>AUD/98/19</p>
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**ANNUAL REPORT ON THE WORK OF INTERNAL AUDIT
2018/19 AND AUDIT PLAN 2019/20**

Presented by Director of Finance & Resources

SUMMARY

The purpose of this report is to inform Members about the work of the Internal Auditors (Mazars) during the financial year 2018/19.

The Audit Plan for 2018/19 was approved by the Audit Committee in June 2018 (Paper AUD/88/18). The audit of the Authority's functions has been in accordance with that Plan and has been found to be satisfactory and the level of assurance substantial.

The report also sets out a plan for audit during 2019/20.

RECOMMENDATIONS

- Members Note: (1) the annual report of the Internal Auditors for 2018/19 detailed in Appendix A to this report; and
- Members Approve: (2) the annual Audit Plan for 2019/20 as detailed in Appendix B to this report.

BACKGROUND

- 1 The Audit Plan for 2018/19 was approved at a meeting of the Audit Committee in June 2018 (Paper AUD/88/18). This report looks at the delivery of that Plan and summarises the scope of audit coverage during the last financial year.
- 2 Mazars have prepared a comprehensive report of this years' audit and the majority of the agreed Plan has been completed. 2019/20 will be the second year of a 6 year contract under a framework agreement held by the London Borough of Croydon and approved by Members of this Committee (Paper AUD/85/18 22 February 2018).

AUDIT WORK – 2018/19

- 3 The majority of the planned audit activity was completed in accordance with the

2018/19 Plan.

- 4 Mazars have prepared a comprehensive report summarising the reviews and their findings and this is attached as Appendix A to this report.
- 5 In all audits recommendations of differing priority (i.e. priority 1, 2 and 3) were made to improve the system of internal control and these recommendations were accepted. Follow-up reviews will be undertaken in the next twelve months to ensure appropriate action has been taken.

AUDIT FINDINGS – 2018/19

- 6 The full report from Mazars is attached at Appendix A for Members information and will be presented by the Internal Auditor during the committee.
- 7 The key message of the auditors report is embodied in the Audit Opinion shown on page 4 of Appendix A. This states:

From the Internal Audit work undertaken in compliance with the PSIAS in 2018/19, it is our opinion that we can provide **Substantial Assurance** that the system of internal control in place at the Authority and Lee Valley Leisure Trust Ltd (the Trust) for the year ended 31 March 2019 accords with proper practice.

- 8 The key findings of the report for each Audit carried out in 2018/19 (pages 5 to 26 in Appendix A of this report) summarise the main recommendations. All areas audited indicated full or substantial assurance with the exception of Performance Management of Commercial Activities within the Trust which had a limited assurance. There were no Priority 1 recommendations.

All priority 1 recommendations made in individual Audit Reports to improve the internal control environment are implemented immediately (or as soon as is practical to do so). Where priority 2/3 recommendations are made, management consider this in context of the risk and resource required to make the improvement and prepare a written response to the auditors setting out plans for implementation, including the officer responsible and the timing of any implementation.

Financial systems are reviewed on a cyclical basis by the auditors based upon the level of risk in any particular area. 2018/19 provided full and substantial assurances in the areas audited as has been the case in previous years.

Pages 27 to 29 of Appendix A to this report provides assurance regarding the level of implementation of recommendations from the previous year's audits.

- 9 All key findings and recommendations from all the audits in 2018/19 will be monitored by the auditors during 2019/20. Adequate follow-up time to do this has been incorporated into the Audit Plan for the year ahead.

ANNUAL AUDIT PLAN - 2019/20

- 10 Appendix B to this report sets out a summary Plan for Audit during 2019/20. The Plan takes into account the following:
 - the Authority's Strategic Risk Register;
 - internal audit findings from previous years' audit work;

- planned developments/changes within the Authority and the Trust;
- the requirements of the Authority's external auditors; and
- specific pro-active work on a counter fraud programme.

11 There are 163 days to allow completion of the Audit Plan in 2019/20 and Members are asked to approve the plan as set out in Appendix B of this report.

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 Financial systems are audited on a cyclical basis. The table below shows the coverage over the past three years and demonstrates a robust approach to financial management that has been maintained across the Authority and Trust.

Audit	2016/17	2017/18	2018/19	2019/20 Plan
Payroll	N/A	Substantial	N/A	N/A
Debtors	Substantial	N/A	N/A	New
Creditor	Substantial	N/A	N/A	New
Treasury Management	N/A	N/A	Full	N/A
Budgetary Control	N/A	N/A	Substantial	N/A
Cash & Banking	Substantial	N/A	N/A	New
Debt Management	N/A	Substantial	N/A	N/A
High Risk Transactions & Key Controls	N/A	Substantial	N/A	N/A

HUMAN RESOURCE IMPLICATIONS

15 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

17 There are no risk management implications arising directly from the recommendations in this report.

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PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/88/18	Annual Report on the Work of Internal Audit 2018/19 & Audit Plan 2019/20	21 June 2018
Audit Committee	AUD/85/18	Award of Internal Contract	22 February 2018
Audit Committee	AUD/77/17	Annual Report on the Work of Internal Audit 2017/18 & Audit Plan 2018/19	22 June 2017
Audit Committee	AUD/69/16	Annual Report on the Work of Internal Audit 2016/17 & Audit Plan 2017/18	16 June 2016
Audit Committee	AUD/64/16	Award of Internal Audit Contract	25 February 2016
Audit Committee	AUD/61/15	Annual Report on the Work of Internal Audit 2014/15 & Audit Plan 2015/16	25 June 2014
Audit Committee	AUD/51/14	Annual Report on the Work of Internal Audit 2013/14 & Audit Plan 2014/15	19 June 2014
Audit Committee	AUD/41/13	Annual Report on the Work of Internal Audit 2012/13 & Audit Plan 2013/14	20 June 2013
Audit Committee	AUD/28/12	Annual Report on the Work of Internal Audit 2011/12 & Audit Plan 2012/13	28 June 2012
Audit Committee	AUD/20/11	Annual Report on the Work of Internal Audit 2010/11 & Audit Plan 2011/12	02 June 2011
Audit Committee	AUD/07/10	Annual Report on the Work of Internal Audit 2009/10 & Audit Plan 2010/11	20 May 2010

APPENDICES ATTACHED

Appendix A	Internal Annual Audit Report 2018/19
Appendix B	Internal Audit Plan 2019/20

LIST OF ABBREVIATIONS

the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
PSIAS	Public Sector Internal Audit Standards



Lee Valley Regional Park Authority and Vibrant Partnerships
Internal Audit Annual Report 2018/19

May 2019

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Status of Our Reports

This report (“Report”) was prepared by Mazars LLP at the request of Lee Valley Regional Park Authority and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of Lee Valley Regional Park Authority and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix 2 of this report for further information about responsibilities, limitations and confidentiality.



Introduction

Purpose of this Report

This report summarises the work that Internal Audit has undertaken and the key control environment identified across Lee Valley Regional Park Authority (the Authority) and Vibrant Partnerships, the trading name of Lee Valley Leisure Trust Limited (the Trust) during the 2018/19 financial year.

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015. The PSIAS requirements are that the report must include:

- An annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (the control environment);
- A summary of the audit work from which the opinion is derived (including reliance placed on the work by other assurance bodies); and
- A statement on conformance with the PSIAS and the results of the internal audit quality assurance and improvement programme (QAIP), if applicable.

The report should also include:

- The disclosure of any qualifications to that opinion, together with reasons for the qualification;
- The disclosure of any impairments or restriction in scope;
- A comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and targets;
- Any issues judged to be particularly relevant to the preparation of the annual governance statement; and
- Progress against any improvement plans resulting from QAIP external assessment.

It should be noted that the Authority and the Trust are responsible for ensuring business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority and the Trust are also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Authority's and the Trust's functions and which includes arrangements for the management of risk.

Overview of Internal Audit Approach

As Internal Audit, our role is to provide an annual assurance statement on the adequacy and effectiveness of the Authority's and the Trust's systems of governance, risk management and internal control.

Overview of Work Done

The Internal Audit Plan for 2018/19 included a total of 13 projects. We have liaised with senior management throughout the year to ensure that internal audit work undertaken continued to focus on the high risk areas and, in the light of new and on-going developments in the Authority and the Trust, to help ensure the most appropriate use of our resources.

As a result of this liaison, some internal audit projects have been added to the Plan, others have been consolidated or split into separate elements, and the timing of a number of others has been changed. It should be noted that there were no scope impairments or restrictions in 2018/19.

We generally undertake individual internal audit projects with the overall objective of providing the Members/Trustees, the Chief Executive/Managing Director and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls over a number of management's objectives. Other audit projects are geared more towards the provision of specific advice and support to management to enhance the economy, efficiency and effectiveness of the services and functions for which they are responsible. We also undertake IT audits, probity audits and anti-fraud work. All internal audit work was performed in compliance with the PSIAS.

All internal audit reports include our recommendations and agreed actions that, if implemented by management, will enhance the control environment and the operation of the key management controls.

This report sets out the results of the work performed as follows:

- Overall summary of work performed by Internal Audit including an analysis of report gradings; and
- Key findings during our work in 2018/19.

8

In this report, we have drawn on the findings and assessments included in all internal audit reports issued in 2018/19.

Acknowledgement

We would like to take this opportunity to thank management and staff for the co-operation that we have received during the 2018/19 financial year.



Overall Summary

As illustrated in the tables below, there has been an improvement in the percentage of audits receiving a 'Full' or 'Substantial' assurance grading from 80% last year to 88% this year. There have been one 'Limited' assurance grading this year which is the same number as in 2017/18. The number of 'No Opinion' assurance pieces of work has decreased slightly from eight to seven.

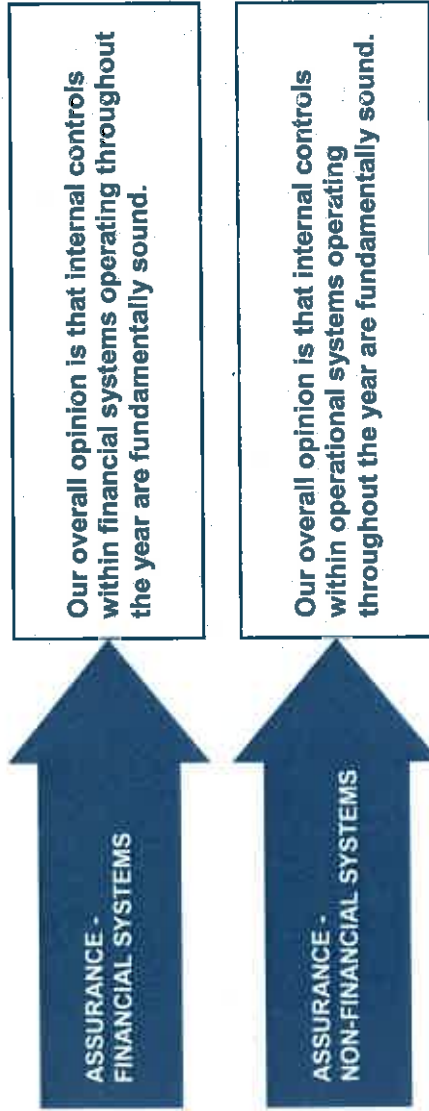
Report Ratings

We are pleased to report that we have not issued any 'nil assurance' opinions in 2018/19 (none were issued in 2017/18).

Assurance Gradings	Number of Projects	
	2018/19	2017/18
Full	2	0
Substantial	3	4
Limited	1	1
Nil	0	0
Sub-Total	6	5
No Opinion Assurance Work	7	8
Work In Progress	0	0
Total Projects Delivered	13	13

Opinion 2018/19

From the Internal Audit work undertaken in compliance with the PSIAS in 2018/19, it is our opinion that we can provide **Substantial Assurance** that the system of internal control in place at the Authority and the Trust for the year ended 31 March 2019 accords with proper practice. The assurance can be further broken down between financial and non-financial systems, as follows:



Audits Undertaken

This table provides an overview of all the assignments undertaken and the assurance provided, where applicable, where no notes are included in the column there is a fuller description of the outcome of the audit in the next section of the report.

Audit	Assurance Opinion	Direction of Travel	Notes
Treasury Management (Authority)	Full	↕	
Treasury Management (Trust)	N/A	N/A	A briefing note was issued for this work as an opinion for the work could not be given. An audit to test compliance with the new arrangements will be considered for 2019/20 as part of the risk based audit planning process.
Budgetary Control (Authority)	Substantial	↕	
Budgetary Control (Trust)	Substantial	N/A (first separate audit of this area)	
Performance Management of Commercial Activities (Trust)	Limited	N/A (first audit of this area)	
Contract Procurement Advice Work (Trust)	N/A	N/A	Work completed by the specialist Contract Auditor
Risk Management (Trust and Authority)	Need to insert this when risk work finalised as not all evidence from Trust available. Authority will be Substantial but can't confirm Trust as yet.	N/A	The Risk Management framework for both the Trust and Authority has been visible throughout the year and some advisory work has been completed to support both organisations to challenge and continuously develop their risk management approach. At the year-end an assurance review was undertaken to help inform the Head of Internal Audit Opinion provided.
Anti-Fraud and Corruption Policy Review	N/A	N/A	E-learning template for the Trust and Authority. Four workshops on Fraud Awareness and sign-posting to the e-

Audit	Assurance Opinion	Direction of Travel	Notes
(Trust and Authority)			Learning, were also completed.
Facilities Spot Check – Athletics Centre (Trust)	N/A	N/A	
Facilities Spot Check – Ice Centre (Trust)	N/A	N/A	
Facilities Spot Check – White Water Centre (Trust)	N/A	N/A	
PCI Compliance (Trust)	Full	N/A (first separate audit of this area)	
Clarity (Leisure Management System) (Trust)	Substantial	N/A (first separate audit of this area)	

Final Internal Audit Report Summary and Recommendations – 2018/19

Treasury Management (Authority)

The Treasury Management function is responsible for the management of cash flows, borrowings and lending of the Authority. It is also responsible for managing the risks associated with these activities and the pursuit of optimum performance consistent with those risks.

In-line with the Local Government Act 2003, the Authority is required to produce an Annual Investment Strategy (AIS), to be agreed by the Authority prior to the start of each financial year. The AIS is required to set out the security of investments used by the Authority, analysed between Specified and Non-Specified investments and clarifying the use of credit ratings. It also has to set out the maximum periods for which funds may prudently be committed.

No borrowing has been required during 2017/18. Short term investments have ranged in size from £10,000 to £3 million; and from periods of one day to 12 months. Interest earned in 2017/18 will total £66,811.



The audit reviewed the procedures for the operation of the Treasury Management function to verify that:

- To verify that all relevant staff act prudently in compliance with appropriately documented management and regulatory requirements (including the treasury management framework and investment strategy, which should be kept under continual review and revised when required in line with regulations and guidance*) and that duties are conducted in a consistent, economic, efficient and effective manner.
- To verify that the reliability, integrity, confidentiality and security of the treasury management system and records is maintained through the reliable operation of the system and its interface to the main accounting systems.
- To verify that cash flow information is completely, accurately, validly and timely produced and secured to allow for effective monitoring and decision making in line with the investment strategy and regulatory requirements.
- To verify that available funds are completely, accurately, validly and timely placed with fund managers / financial institutions / the Debt Management Office (DMO); and that funds are safeguarded in line with the investment strategy, scheme of delegation and regulatory requirements.
- To verify that treasury management information regarding investments and borrowing is completely, accurately, validly and timely produced and secured to allow for effective monitoring, decision making and reporting in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability in line with management and regulatory requirements.

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
1	<p>The Director of Finance & Resources should review the Treasury Management Policy and Procedures. The tracked changes in the current document should be finalised if applicable.</p> <p>The Director of Finance & Resources should record the latest review date on the Treasury Systems document. The Authority could consider amending the review period to match the Treasury Management Policy, in requiring review either every five years or in light of significant changes, whichever is sooner.</p>	3	The Director of Finance & Resources	30/09/19	Agreed

Treasury Management (Trust)

The Treasury Management function is responsible for the management of the Trust's cash flows, borrowings and lending. It is also responsible for managing the risks associated with these activities and the pursuit of optimum performance consistent with those risks.

The audit reviewed the procedures for the operation of the Treasury Management function to verify that:

- To verify that all relevant staff act prudently in compliance with appropriately documented management and regulatory requirements (including the treasury management framework and investment strategy, which should be kept under continual review and revised when required in line with regulations and guidance*) and that duties are conducted in a consistent, economic, efficient and effective manner.
- To verify that the reliability, integrity, confidentiality and security of the treasury management system and records is maintained through the reliable operation of the system and its interface to the main accounting systems.
- To verify that cash flow information is completely, accurately, validly and timely produced and secured to allow for effective monitoring and decision making in line with the investment strategy and regulatory requirements.
- To verify that available funds are completely, accurately, validly and timely placed with fund managers / financial institutions / the Debt Management Office (DMO); and that funds are safeguarded in line with the investment strategy, scheme of delegation and regulatory requirements.
- To verify that treasury management information regarding investments and borrowing is completely, accurately, validly and timely produced and secured to allow for effective monitoring, decision making and reporting in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability in line with management and regulatory requirements.

We were unable to provide assurance that the objectives with regards Treasury Management are being met currently. There are gaps in the governance arrangements and non-compliance with approved financial regulations.

The main risk is the opportunity cost of not ensuring an investment strategy exists to maximise the returns to the organisation. Other risks of investing are not incurred by the current approach of keeping the money in a higher interest account where it is accessible if needed. Management will consider all risks when devising a strategy and the Board will review all risks when approving the strategy.

It is suggested that the action to devise a strategy for the Trust which can be approved by the Board and implemented by the Officers is progressed, ready for the new financial year. The Financial Regulations should be reviewed to ensure they align to the requirements of the Strategy and governance arrangements outlined within it.

It is noted that there are plans for the new Head of Finance that is joining the Trust to take forward the Treasury Management function.

An audit to test compliance with the new arrangements will be considered for 2019/20 as part of the risk based audit planning process.

Budgetary Control (Authority)

The Budgetary Control function is responsible for the management of budget setting and monitoring processes at the Authority. It is also responsible for managing the risks associated with these budgetary control activities. Following agreement by the Full Authority on 18 January 2018, elected Members drawn from across the region approved a levy decrease of 6% for 2018/19. This represents a continuation of a long-term objective to reduce the levy. The total



amount to be raised by the levy for 2018/19 is £9.57 million. The Authority budget is produced with reference to strategies and as part of long-term budget-planning.

The audit reviewed the procedures for the operation of the Budgetary Control function to verify that:

- Relevant staff act in compliance with appropriately documented management and regulatory requirements and that duties are conducted in a consistent, economic, efficient and effective manner.
- Budgets are set and funds allocated so as to achieve the strategic and operational objectives.
- Approved budgets are completely, accurately, validly and timely communicated and loaded onto the financial management system to allow effective monitoring by budget holders.
- Budgets are regularly monitored and variances analysed and communicated so as to minimise the risk of budget under/overspend.
- Budget alterations and variances are completely, accurately and validly processed in a timely manner.
- Budget information is completely, accurately, validly and timely produced and secured to allow for effective monitoring, decision making and reporting in line with management and regulatory requirements as part of a comprehensive performance management system.

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
1	The Authority should consider establishing a formal review deadline for key documents such as the Financial Regulations in order to maintain their accuracy and relevance.	3	Director of Finance	March 2020	There is an annual check made on Financial Regulations (FR) to ensure procurement rules and other key areas are up-to-date. This is a quick look see exercise and where no changes are required the FR remain as approved. A more fundamental review will be carried out in the next 12-18 months as one of the key influences could be the outcome of Brexit impacting on areas like procurement.
2	The Authority should periodically review and prepare notes documenting the process for checking the budget and uploading figures to the e-Financials system.	3	Chief Accountant	April 2019	Budgets can be loaded manually as a backup. However training to Finance Support Staff will be given alongside procedure notes to ensure there is sufficient back-up
3	The Authority should consider defining budget holder training/guidance for their	3	Chief Accountant/Senio	September 2019	Will include budget management training alongside e-fin training and will incorporate this as part of

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
	<p>role in the setting and monitoring of budgets. This should be provided for staff who are new to a budget holding post, and considered for periodic refreshment in response to significant changes in process.</p> <p>A log should be kept of budget holders to confirm that they have the skills to manage their responsibilities.</p>		r Finance Manager		induction process to new staff
4	<p>Where budget holders do not explain significant variances, this should be followed up by reviewers in order to identify whether further actions are required.</p> <p>Where an issue is longstanding, the cause and any remedial actions should be briefly recapped in successive monitoring reports to prevent the appearance of unexplained variances.</p>	2	Director of Finance	January 2019	Will formally remind budget holders to ensure that explanations for variances are given each and every month as part of the budgetary monitoring process

Budgetary Control (Trust)

The Budgetary Control function is responsible for the management of budget setting and monitoring processes at the Trust. The Trust agrees an annual budget covering core services and individual venue budgets.

The audit reviewed the procedures for the operation of the Budgetary Control function to verify that:

- Budget managers are only responsible for income and expenditure that they can influence.
- There is a nominated budget managed for each budget heading.
- Budget managers understand their financial responsibilities.
- Budget managers are appropriately trained to carry out their budget responsibilities.

- Budgets are regularly monitored and variances analysed and communicated so as to minimise the risk of budget under/overspend.
- Analysis of spend over the year is completed to identify spend above the profiled expenditure levels.
- Budget plans are integrated into service planning so that budget plans are supported by financial and non-financial performance measures.
- Staff requirements and costs are forecast.
- Staff numbers are controlled to a level that can be funded within the approved budget.
- It is immediately flagged if the staffing budget is likely to be materially under of overspent.
- Virements are completely, accurately and validly processed in a timely manner. Approval of virements is in-line with the Scheme of Delegation.
- Fortuitous savings or additional income exceeding £50,000 is not used for virement purposes instead a report is made to the Board for their consideration of how the additional monies are to be used.
- Year-end balances are carried forward in accordance with the guidelines set by the Board.

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
1	The Trust should carry out an annual review of the Financial Regulations in order to ensure that information remains accurate and provides sufficient detail, and record this review, including where no changes have been deemed necessary. Interim updates should also take place to make in-year amendments where changes become apparent.	3	Director of Business Support / Head of Finance	Director of Business Support / Head of Finance	The Financial Regulations will be formally reviewed by the new Head of Finance by September 2019
2	Where budget monitoring reports are returned without explanation for variances in excess of the 5% tolerance Finance should request explanation, or if the reason is already known or non-applicable, this should be entered to provide a record of the check, and to provide assurance that the actions being taken are satisfactory.	2	Head of Finance	31/03/2019	Budget holders to be reminded of need to give an explanation for variances in excess of 5% Finance to monitor returns and request any missing explanations

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
3	<p>The Trust should consider discussing key budget lines with budget holders when the budgets are set, and tailoring variance tolerance in accordance with the expected variability of each area, and the overall impact on the budget.</p> <p>Tolerance could then be broadened or narrowed depending on the importance of each budget line.</p> <p>Finance could consider including greater detail of which variances might require additional commentary on expected outturn.</p>	3	n/a	n/a	Disagreed. The Trust discussed with the Auditor that they did not want to increase tolerances on budgets but rather reduce all tolerances in line with the new approach adopted to budgetary control which related to the introduction of a Management Accountant.
4	<p>Records should be kept documenting all proposed changes to draft budgets, their rationale, and either approval or the reasons for rejection of said proposals.</p>	3	Head of Finance	31/12/19	Records will be kept at budget meetings, documenting changes to draft budgets – this will be for next year's budget setting process in November / December 2019

Performance Management of Commercial Activities

The Performance management approach was discussed with key Trust Officers based at Myddelton House, as well as with Venue Managers.

The audit reviewed the procedures for the operation of the Performance Management function to verify that:

- Roles and responsibilities with regard to the performance management of commercial activities are defined. Staff are fully aware of their responsibilities and their performance is measured against the achievement of their specific targets.
- Staff training has been completed by the Venue Managers on stock control processes and the monitoring of gross and net profit to activities / venues.
- Training needs of Venue Managers are monitored over time and action taken where training needs are identified.
- Gross profit for stock items is monitored, at the individual venues, on a consistent basis and performance against targets is monitored. Action plans are put in place where performance is below target and responsibility for this is assigned with progress monitored.
- Stock turnover, at each of the venues, is monitored and slow moving items are reviewed.



- Wastage levels, at each of the venues, is monitored on an ongoing basis with reviews completed where wastage is higher than expected.
- Gross and net profit for activities / venues is monitored, at the individual venues, on a consistent basis and performance against targets is monitored. Action plans are put in place where performance is below target and responsibility for this is assigned with progress monitored.
- Venue user numbers / demographics are monitored on an ongoing basis and this is used to inform the marketing strategy for each venue.
- The pricing structure is reviewed on a regular basis and analysis completed to ensure that prices are appropriate / in-line with market trends.
- Costs are monitored on an ongoing basis and comparisons with other venues undertaken. Processes at the venues are reviewed with areas of good practice being identified and disseminated across the venues.
- Staff processes are examined to ensure optimal usage of staff resources.
- Key Performance Indicators are in place for each of the venues and targets in place are monitored on an ongoing basis to ensure that they are appropriate / challenging.
- Performance across the venues is monitored and comparisons drawn. Areas of good practice are identified and put in place across all venues where appropriate.
- Progress against action plans at each of the venues is monitored regularly.

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
1	<p>The Trust should produce a policy/procedure document for the benefit of officers setting out those processes which are required as well as any that may be beneficial to consider. This could include:</p> <ul style="list-style-type: none"> • Budget monitoring; • Cost/profitability analysis for activities; • Usage/customer analysis; • Service Improvement Plans and actions; • Stock Turnover; • Development of Key Performance Indicators; and 	2	Performance & Information Manager	30/09/19	Agreed

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
	<ul style="list-style-type: none"> Any required training. <p>Venue management should be requested to observe this policy, and reflect any additional or amended approaches in their local procedures.</p>				
2	The Trust should review the Storage & Stock Control Procedure and make any amendments necessary to ensure that this reflects objectives in relation to stock management and performance reviews.	2	Performance & Information Manager	30/09/2019	Procedure will be reviewed – new Quality Officer when in post
3	The Trust should consider specifying key areas of performance management in which Venue Managers/budget holders should be expected to develop/maintain their skills and knowledge, and maintain a training record/programme in order to ensure that up-to-date processes are understood and applied.	2	Learning & Development Business Partner	30/09/2019	Further roll out of the management development training modules for: <ul style="list-style-type: none"> Budget Management Performance and Improvement
4	The Trust should determine how Venners reports should be used centrally to monitor completion of recommended actions, or make use of wider impressions and conclusions to improve performance across the Trust.	2	TBC	30/09/2019	Approach to central monitoring of reports to be agreed and implemented
5	The Trust should consider whether it would be beneficial to set venue-specific target profit margins to measure against instead of the current 60% and 40% targets. Target profit margin should be included in Venners reports alongside previous performance.	2	Performance & Information Manager	30/09/2019	To be reviewed as part of the review of the Storage and Stock Control procedure
6	The Trust should include reference to desired wastage recording and review	2	Performance & Information	30/09/2019	To be reviewed as part of the review of the Storage

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
	policy as part of their policy on stock control. They should also consider providing venues with a template wastage log setting out required fields to be completed when identifying, logging, and reviewing the reasons for waste.		Manager		and Stock Control procedure
7	The Trust should include greater detail in the Storage and Stock Control Policy to set out what Venue Managers are expected to do in order to manage stock which is not subject to Venners' review.	2	Performance & Information Manager	30/09/2019	To be reviewed as part of the review of the Storage and Stock Control procedure

Spot Check – Athletics Centre

Spot check undertaken at the Athletics Centre to assess compliance with the Financial Regulations and Operating Procedures.

The spot check was completed to verify that:

- Training and guidance is provided to staff to ensure they understand the process for cash handling and banking.
- Cash is always checked and re-counted by a second officer;
- Explanations are recorded for variances in cash collected;
- Takings are held securely, with levels of cash held recorded and monitored; and
- Banking is undertaken frequently.
- For advanced bookings at the facility, invoices are required to be raised and issued to the customer in advance of facilities being used by customers.
- Quotations are obtained for purchases exceeding £1,000; and
- Purchase orders are raised in a timely manner.
- Formal records of all stock are held and stock checks are undertaken regularly; and
- Reconciliations are undertaken between stock sold and income received.

- Deposits are obtained across sites for all relevant activities.
- Vouchers and staff discounts are controlled; with controls in place to monitor and account for their use.
- Determine and document the specific controls in place in relation to each of the areas;
- Assess the adequacy of these controls in relation to the risks identified; and
- Carry out sample testing, where appropriate, of the existing controls to determine their effectiveness.

Ref	Recommendation	Priority	Responsible officer	Target Implementation Date	Management Response
1	Management should review the NOPs to ensure that they are accurate and complete. An overall review of NOPs across the venues should be undertaken to ensure that they are all comprehensive and that standard requirements are detailed e.g. the threshold for cash variances that need investigation and the collection and management of deposits.	N/A	M Bond, Centre Manager	January 2019	Full review in progress
2	Management should ensure that till receipts are signed by both officers completing the cash up. Management should ensure reasons for variances are recorded on the till receipt, particularly where the variance was not fully resolved.	N/A	M Bond, Centre Manager	Completed November 2018	All DM's reminded of requirements when cashing up
3	Management should ensure that till refunds receipts are retained in all cases where a refund is completed. These should contain clear reasons for refunds and should have the signature of the authoriser.	N/A	M Bond, Centre Manager	Completed November 2018	All DM's informed of requirements
4	Staff should be reminded of the need to ensure that the collection receipts are signed by both	N/A	M Bond, Centre	Completed November 2018	All DM's reminded of requirements

NOTES - If we can get info we will put in status of any listed where the date has passed.

Ref	Recommendation	Priority	Responsible officer	Target Implementation Date	Management Response
	parties and that they are retained with the weekly return.		Manager		
5	Staff should be reminded of the need to sign the Drop Safe Record Sheet when cash is collected and banked.	N/A	M Bond, Centre Manager	November 2018	Staff responsible for Banking informed
6	Staff should ensure that the appropriate number of quotes are obtained for high-value purchases. Where it is determined that obtaining alternative quotes is not possible, a waiver should be obtained from the Finance team.	N/A	M Bond, Centre Manager	Completed 7 November 2018	7 Staff reminded of requirements
7	The Venue Manager should liaise with the Finance Team to determine whether it is possible to generate a report from e-finance to show all purchase orders that have not been raised promptly (e.g. after the invoice date). The report should be reviewed and any performance issues should be discussed with the relevant staff.	N/A	M Bond, Centre Manager	December 2019	M Bond to liaises with finance
8	Staff should contact Venners to seek confirmation of whether more recent stock reports are available, and if not, to request that the agreed visiting frequency be met.	N/A	M Bond, Centre Manager	Completed 14 November 2018	M Bond to contact Venners
9	A record of merchandise item should be kept with items currently in stock and any purchases made. A reconciliation of this record with the income from merchandise (as per the income report) should be undertaken regularly to	N/A	M Bond, Centre Manager	January 2019	Stock Taking system to be initiated

Ref	Recommendation	Priority	Responsible officer	Target Implementation Date	Management Response
	confirm all stock has been accounted for.				
10	A section on the collection and management of deposits should be included in the site's NOPs.	N/A	M Bond, Centre Manager	February 2019	Deposits to be added to the local booking procedures
11	The information on the website should be updated so that it shows that the discount is for membership and not for casual use.	N/A	J Wright, Assistant Manager	December 2018	Web site to be amended

Spot Check – Ice Centre

Spot check undertaken at the Ice Centre to assess compliance with the Financial Regulations and Operating Procedures. The areas covered were the same as for the Athletics Centre (detailed above).

Ref	Recommendation	Priority	Responsible officer	Target Implementation Date	Management response
1	Staff should be reminded to ensure that till receipts are signed by both officers completing the cash up.	N/A	Till Clerk & Duty Manager	Immediate implementation	All staff have been reminded of this.
2	Management should ensure that all till refunds receipts contain clear reasons for refunds and should have the signature of the authoriser.	N/A	Till Clerk & Duty Manager	Immediate implementation	All staff have been reminded of this. With the exception of £5 deposits which are refunded on skate aid hire.
3	Staff should ensure that all collection receipts are signed by both parties.	N/A	Till Clerk & Duty Manager	Immediate implementation	All staff have been reminded of this.

Ref	Recommendation	Priority	Responsible officer	Target Implementation Date	Management response
	Management should ensure that the paying slip reference number is correctly recorded on the weekly return.				
4	Staff should be reminded of the need to sign the Drop Safe Record Sheet when cash is collected and banked.	N/A	Till Clerk & Duty Manager	Immediate implementation	All staff have been reminded of this.
5	Staff should ensure that the appropriate number of quotes are obtained for high-value purchases. Where it is determined that obtaining alternative quotes is not possible, a waiver should be obtained from the Finance team.	N/A	Managers	Immediate implementation	All staff have been reminded of this.
6	The Venue Manager should liaise with the Finance Team to determine whether it is possible to generate a report from e-finance to show all purchase orders that have not been raised promptly (e.g. after the invoice date). The report should be reviewed and any performance issues should be discussed with the relevant staff.	N/A	Manager	Ongoing	Is being discussed with Finance Department
Spot Check – White Water Centre					
Spot check undertaken at the White Water Centre to assess compliance with the Financial Regulations and Operating Procedures. The areas covered were the same as for the Athletics Centre (detailed above).					
Ref	Recommendation	Priority	Responsible Officer	Deadline for Implementation	Management Response



Ref	Recommendation	Priority	Responsible Officer	Deadline for Implementation	Management Response
1	Management should amend the training matrices so that non-applicable training items are clear, allowing easy identification of outstanding training needs.	N/A	Completed	N/A --completed	Actioned.
2	Reviewers should confirm that the Clarity till reconciliation information agrees to the information recorded on the White Water daily cashing up slips and that any variances are correctly highlighted and explained.	N/A	Management Support Officer	Completed ongoing review	but Any discrepancies and the reasons for these are recorded on the weekly banking sheet. One was found which was down to human error.
3	The venue should consider retaining individual receipts for refunds of higher value, to document the reasons for the refund, original transaction details where possible, and individual approval. This should be set out in the procedure.	N/A	Head of Reception and Management Support Officer	of 7.01.19 and ongoing	Moving forward will do this for anything over £50 in one transaction.
4	Duty Managers should ensure that all BDI collection receipts are signed by both parties.	N/A	Completed	N/A -- completed	Also, the reason for all MOP's and refunds will be recorded on a spreadsheet. This was reiterated to DM's in their last meeting.
5	Regular efforts should be made to update the Clarity booking record and invoice monitoring spreadsheet for upcoming bookings. Where an invoice has not been recorded as paid by the week of the booking, efforts should be made to recover the debt and, if this is not possible, reception staff should be made aware that the booking is unpaid and consider refusing use of services.	N/A	Corporate Campaigns Manager	07.01.18 and then ongoing.	This needs to be updated weekly by a member of the team who has access to this information.
6	Staff should ensure that the appropriate number	N/A	General	review is ongoing	Of the three invoices checked, one was for



Ref	Recommendation	Priority	Responsible Officer	Deadline for Implementation	Management Response
	of quotes are obtained for high-value purchases. Where it is determined that obtaining alternative quotes is not possible, a waiver should be obtained from the Finance team.		Manager / Management Support Officer		Findivers who have a shop on site and offer us competitive prices and discounts and one had 2 quotes. The 2 quotes were not on the file with the invoice, but were produced before the Auditor left. In future all quotes will be filed with the final invoice.
7	Purchase orders should be raised before all expenditure is incurred. Where this is not possible, for instance due to emergency/short-notice, the reason for this should be recorded.	N/A	Management Support Officers	N/A –completed	Moving forward any PO's that are raised after the invoices are received will be recorded on the Purchase order spreadsheet giving the reason why.

Payment Card Industry Data Security Standard (PCI-DSS) Compliance Review

The Payment Card Industry Data Security Standard (PCI DSS) was developed by the PCI Security Standards Council comprising the main payment card suppliers (e.g. Visa, MasterCard, and American Express). It sought to establish a baseline of controls that vendors accepting payment cards should have in place in order to limit fraud and theft. The PCI DSS is a set of comprehensive requirements and standards for enhancing data security in respect of card holder information where payments for services are made via debit or credit card.

In so far as records and information are available to us, we will seek to ascertain that the following processes have been considered or are in progress in relation to the following areas:

Area 1 - Firewall Configuration

Establish and implement firewall and router configuration standards that ensure connections are restricted between untrusted networks and system components in the cardholder data environment is implemented. For firewall functionality to be effective, it must be properly configured to control and/or limit traffic into and out of the entity's network.

Area 2 - System Settings

configuration settings the extent to which changes have been made to vendor default settings, account names, and passwords to compromise operating system software, applications, and the systems on which they are installed. The default password has been changed to a strong unique password and disabled to prevent a malicious individual from re-enabling the account and gaining access with the default password.

Area 3 - Stored Data Protection



The extent to which a formal data retention policy identifies what data needs to be retained, and where that data resides so it can be securely destroyed or deleted as soon as it is no longer needed.

Area 4 - Transmitted Data Protection

Use strong cryptography and security protocols (for example, TLS, IPSEC, SSH, etc.) to safeguard sensitive cardholder data during transmission over open, public networks, including the following:

- Only trusted keys and certificates are accepted.
- The protocol in use only supports secure versions or configurations.
- The encryption strength is appropriate for the encryption methodology in use.

Area 5 - Application and Systems Security

Determine the extent to which all systems are protected against malware and regularly update anti-virus software or programs by discussion and examination of evidence.

Area 6 - Access Restrictions

Examine written policy for access control, and verify that they incorporate the following:

- Defining access needs and privilege assignments for each role.
- Restriction of access to privileged user IDs to least privileges necessary to perform job responsibilities.
- Assignment of access based on individual personnel's job classification and function.
- Documented approval (electronically or in writing) by authorized parties for all access, including listing of specific privileges approved.

Area 7 - Account Security

The extent to which proper user identification management has been established for non-consumer users and administrators on all system components as follows:

- All users are assigned a unique ID
- effective joiners and leaver procedures are in place

Area 8 - Physical Access Controls

The extent to which the risk of unauthorised access to cardholder data is minimised by appropriate physical security.

Area 9 - Monitoring and Testing

The extent to which regular pen tests are conducted

Area 10 - Security Policies and Procedures

The extent to which an effective security policy has been established, published, maintained and disseminated.

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
1	Whilst it has been acknowledged that the Policy is reviewed annually as part of the annual assessment process, management should ensure that the Information Security (Electronic Payment) Policy document control and version history are updated in line with the review and that dates remain valid.	3	TBC	31/03/19	The policy will be reviewed, updated and published.

Clarity Application Audit

The purpose of the audit was to review the procedures in operation to provide assurance that the key risks and controls over the internal control environment are addressed, in relation to the Clarity Application.

The Clarity application has multiple modules dealing with, for example, membership, direct debits, and invoice processing, as well as booking arrangements. It is an electronic Point of Sale (ePOS) system in use at venues across the Trust. The application is provided and hosted externally by OMNICO. First line technical support is provided by IT and first line application support is provided by the Performance & Information Management team, whilst second line technical system support is provided by OMNICO.

The audit reviewed the procedures and processes for the operation of the Clarity application function to verify that:

- Arrangements are in place, appropriately assigned and defined. The system is adequately licensed and that users are provided with sufficient training on the correct use of the application
- Access to the application and its database is restricted and user activity can be monitored.
- Access is restricted per user to an extent by which they are only able to view, edit, or otherwise use information or assets they are permitted to as part of their role.
- Data processed by the application is accurate, complete and that there are adequate reconciliation procedures in place. Information input on to the application is accurate, complete and that the application is configured to report on erroneous data prior to processing.
- Information input on to the application is accurate, complete and that the application is configured to report on erroneous data prior to processing.
- Output reports generated by the application are adequate and that output generation is controlled.
- Changes to the application follow an established procedure and any changes are reviewed and tested before being applied to the application's live environment.
- Arrangements are in place with the application's supplier, which is monitored on a routine basis.

Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
1	<p>It is recommended that the following password parameter settings are amended to comply with the Trust's Password Policy and leading best practice values, as follows:</p> <ul style="list-style-type: none"> Minimum password length should be set to at least 8 characters; Password history should be set to at least 10 previous passwords; <p>The Trust should also consider making further enquiries with the software provider for Clarity to establish if the following additional controls could be built into the application:</p> <ul style="list-style-type: none"> Password lockout threshold should be set to a maximum of 5 attempts; and <p>Controlled log off for absence from workstation should be set on the application.</p>	2	Performance & Information Manager	3/10/19	We have updated the parameter settings to increase the minimum password length to 8 characters and the password history has been set so that a password cannot be re-used for 1 year.
2	<p>Management should consider implementing a formal scheduled review of key user functions, such as the users with administrator privileges, expert users and users with manager access and above. This, should be undertaken at least annually.</p> <p>However dependant on the resource requirements involved consideration should be given to a rolling schedule of review or on a sample basis.</p>	2	Performance & Information Manager	30/11/18	Agreed. We have arranged a project meeting with Omnico for 7 th November.
3	The application interfaces (data flows)	3	Performance &	31/12/18	A document will be written up that explains the



Ref	Recommendation	Priority	Responsible Officer	Target Implementation Date	Management Response
	<p>should be formally documented. Interface documents should identify all data files that are either manually or automatically:</p> <ul style="list-style-type: none"> • extracted from the application for upload into another system (outgoing interface); and • Imported into the application from another system (incoming interface). 		Information Manager		interfaces and outlines the processes involved.



Follow-Up of Previously Raised Recommendations

As part of the Internal Audit Plan for 2018/19, we followed-up a number of recommendations previously raised in 2017/18 and agreed with management. We also followed up the remaining recommendations that were outstanding from 2016/17.

The objective of this work was to establish the extent to which recommendations had been implemented. This is important, as, where actions are not taken as agreed, the Authority's and the Trust's risk exposure is not reduced.

Key Issues to Bring to the Attention of the Finance and Audit Committee

- 84% (67) of recommendations have been implemented and verified.
- 1% (1) of recommendations had not reached their due date.
- 15% (12) of recommendations have revised due dates.

Audits that have been given an audit opinion of Limited Assurance are annotated in the Summary of Recommendations table with an asterisk *. Although each recommendation is provided with a priority level, for ease of reference, where one or more of the recommendations that have not been verified as implemented are a priority 1, the number agreed column is also marked with a hash (#). There are currently no priority 1 recommendations outstanding. Details of the recommendations that are outstanding past their due dates are given below.

Audit Name	Number Agreed	Internal Audit			Responsibility Authority / Trust		
		Implemented	Implemented to be verified	Due date not reached	Revised Due Date	Outstanding past due date	
2016/17							
Hayes Hill (Authority)	6	6					
Sewardstone Campsite	9	9					
Riding Centre (Authority)	9	9					

Audit Name	Number Agreed	Responsibility				
		Internal Audit		Authority / Trust		
		Implemented	Implemented to be verified	Due date not reached	Revised Due Date	Outstanding past due date
Sickness Absence (Authority / Trust)	3	2			1	
2017/18						
Debt Management (Authority / Trust)	1	1				
Cyber Security* (Authority / Trust)	12	9#		1	2	
Payroll (Authority / Trust)	2	2				
Analysis of High Risk Transactions Testing and Key Control (Authority / Trust)	8	4			4	
Facilities Spot Check - Dobbs Weir Campsite (Trust)	5	4			1	
Facilities Spot Check - Springfield Marina (Trust)	3	2			1	
Facilities Spot Check - Stanstead Marina (Trust)	4	1			3	
Facilities Spot Check - Sewardstone Campsite (Trust)	5	5				
Dobbs Weir Final Phase Expansion Plan (Trust)	13	13				

Audit Name	Number Agreed	Responsibility				Outstanding past due date
		Internal Audit		Authority / Trust		
		Implemented	Implemented to be verified	Due date not reached	Revised Due Date	
Total:	80	67	0	1	12	0

Details of Revised Implementation Dates

Sickness Absence 2016/17

- Head of HR confirmed that the procedures relating to return to work interviews had been updated and that managers had received informal updates/training on the requirement for these to be completed where sickness trigger points had been reached. An e-learning module is to be developed but this will not be completed until mid-2019. Revised Due Date: September 2019.

Cyber Security 2017/18

- Internet access required for admin accounts in order to perform IT related tasks. To be added to Risk Register. Revised Due Date: October 2019.
- Priority 1 recommendation that the unsupported operating system should be upgraded to a supported version. If the system cannot be upgraded, it should be segregated from the network with no Internet access. However, confirmed that the recommendation is on hold until LSC has been awarded. Revised Due Date: March 2020.

Analysis of High Risk Transactions 2017/18

- Process for agreeing, managing and reconciling third party arrangements, bookings and payments was to be reviewed. However, there has been no progress on developing Clarity. New Regional Sales Manager in post is reviewing 3rd party agreements and as part of this they will consider the recommendation to reconcile all bookings shown as £0. Revised Due Date: April 2020.
- Recommendation to reconcile any bookings made outside of Clarity is currently on hold as the new LSC identifies requirements around tracking and reporting specific bookings. Need to put these bookings onto Clarity, but must design the booking process to capture the required information. Will be progressed once outcome of contract known. Revised Due Date: April 2020.
- Clarity 'Manager buttons' are to be refined in order to allow clear reporting of transactions, with revised procedures/guidance to be circulated to all venues so that the use of the 'Management button' is clear. Confirmed that this will be progressed once outcome of contract known. Revised Due Date: April 2020.
- The existence and purpose of the Cascade refund reports was to be publicised, and venues worked with to improve reporting of negative transactions in order to provide management with information to monitor the nature and amount of outgoing payments. Confirmed that this will be progressed once outcome of contract known. Revised Due Date: April 2020.

Facilities Spot Check – Dobbs Weir Campsite 2017/18







- Official web link to the discounts page does not cover Dobbs Weir, however, the Campsite Manager has agreed that the same level of discounts will apply as at the other camping sites. The NOP is in the process of being updated. Revised Due Date: June 2019.
Facilities Spot Check – Springfield Marina 2017/18
- Cybertill has only been implemented in the chandlery opened in January. The workshop side has not been implemented yet. Training booked for the 13th June at Stanstead. We are waiting for a date from Cybertill to fully implement the till in the reception. Chased again today, waiting to hear back. Confirmed that Cybertill has only been implemented in the chandlery opened in January. The workshop side has not been implemented yet and the date from Cybertill to fully implement the till in the Reception is awaited. Revised Due Date: June 2019.
Facilities Spot Check – Stanstead Marina 2017/18
- Recommendation that once Cybertill is implemented, reconciliation should be undertaken between the jobs recorded and invoice issued on Cybertill against the income actually receipted and recorded on the weekly return or on Clarity. Confirmed that training on Cybertill Workshop programme booked for end of Quarter 1 2019. Revised Due Date: June 2019.
- Stocktake actioned by independent company, Venners 5/6 April 2019 and all stock levels are being updated ASAP. Going forward Annual stock checks as now and also regular monthly sampling by Manager. Revised Due Date: June 2019.
- 10% discount for all Vibrant Staff on all items in the Chandlery except all fuels including gas, diesel, coal and logs. Awaiting SMT agreement for inclusion on intranet. Revised Due Date: June 2019.



Appendix 1 - Key to Assurance Levels

Assurance Gradings




We have four categories by which we classify internal audit assurance over the processes we examine, and these are defined as follows:

Assurance Level	Evaluating and Testing Conclusion
 Full	There is a sound system of internal control designed to achieve the Authority/Trust's objectives. The control processes tested are being consistently applied.
 Substantial	While there is a basically sound system of internal control, there are weaknesses, which put some of the Authority/Trust's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the Authority/Trust's objectives at risk.
 Limited	Weaknesses in the system of internal controls are such as to put the Authority/Trust's objectives at risk. The level of non-compliance puts the Authority/Trust's objectives at risk.
 Nil	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

The assurance gradings provided above are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Full Assurance' does not imply that there are no risks to the stated objectives.

Recommendation Gradings

In order to assist management in using our internal audit reports, we categorise our recommendations according to their level of priority as follows:

Priority Level	Definition
 1 High	Major issues for the attention of senior management and the audit committee.
 2 Medium	Important issues to be addressed by management in their areas of responsibility.
 3 Low	Minor issues resolved on site through discussions with local management.

Direction of Travel

	Improved since the last audit visit.
	Deteriorated since the last audit visit.
	Unchanged since the last audit report.
No arrow	Not previously visited by Internal Audit.

Appendix 2 - Statement of Responsibility

We take responsibility to Lee Valley Regional Park Authority for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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Lee Valley Regional Park Authority and Vibrant Partnerships
DRAFT Internal Audit Plan 2019/20

May 2019

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Status of Our Reports

This report ('Report') was prepared by Mazars Public Sector Internal Audit Limited at the request of Lee Valley Regional Park Authority and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, we have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of Lee Valley Regional Park Authority and to the fullest extent permitted by law, Mazars Public Sector Internal Audit Limited accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility set out in Appendix 1 of this report for further information about responsibilities, limitations and confidentiality.



1. Executive Summary

This document sets out the proposed Internal Audit Plan for 2019/20.

The Plan has been formulated in conjunction with the Director of Finance & Resources for the Authority and the Director of Business Services for Vibrant Partnerships, the trading name of Lee Valley Leisure Trust Limited (the Trust), and takes into consideration the risk registers, our findings from previous years' internal audit work, planned developments within the Authority and the Trust, and the requirements of the Authority and Trust's external auditors.

The total planned days for 2019/20 is 163 - this consistent with the agreed days for the previous year (2018/19) and is split as follows:

Input Type	2019/20 Days	2018/19 Days
Financial Systems, General Audit and Advisory	102	72
IT Audit	22	22
Contract Audit	12	19
Proactive Counter Fraud	-	10
Follow-Up	10	10
Management and Consultation	17	17
Whistleblowing Investigation	-	12
Total	163	162

We have provided a summary level indication of the proposed coverage for each individual audit / task.

In all cases where an audit has been completed previously against the same scope, together with the assurance opinion, we will provide an assessment of the Direction of Travel so as to indicate the extent to which the controls have improved, stayed the same or deteriorated.

It is important that the Plan remains flexible, given that new risks may emerge during the course of the year. We will continue to discuss and review the coverage with the Director of Finance & Resources (Authority) and the Director of Business Services (Trust) on an on-going basis.

2. Internal Audit Plan 2019/20

Please note that the proposed coverage is only a high level overview and the detailed scope of each audit will be discussed and agreed with the relevant officer prior to the commencement of any fieldwork.

We have also identified a Lead Contact(s) in each case. The proposed scope, timing and approach will be discussed and agreed with the Lead Contact(s) and other relevant officers prior to the commencement of each individual assignment.

Audit	Planned Days	Proposed Coverage	Lead Contact(s)
Resources & Business Development			
Key Financial Systems (Creditors, Debtors, Cash and Banking)	26	As part of the 2014/15 internal audit plan, it was agreed with management and external audit that coverage of the key financial systems move to being cyclical as opposed to each system being audited annually to reduce duplication and the impact of our work on the Finance Team. Coverage in the last three years has been as follows: <ul style="list-style-type: none"> • 2018/19 - Treasury Management and Budgetary Control • 2017/18 -- Debt Management, Payroll and Use of Credit Cards • 2016/17 - Creditors, Debtors, Cash and Banking, 	Simon Sheldon - Director of Finance & Resources (Authority) Catherine Cassidy – Head of Finance (Trust)
Contract Management	12	Contract Management Exact scope to be agreed once a sample of contracts have been selected. However, potential areas will include monitoring of contractor's performance, escalation process, remedies and renewal/extension process.	Nigel Foxall - Director of Business Services (Trust) Simon Sheldon - Director of Finance & Resources (Authority)
Procurement Audit	12	Procurement Potential coverage include: <ul style="list-style-type: none"> • Tendering process; • Use of framework; • Management of approved supplier list; and • Allocation of works. 	Nigel Foxall - Director of Business Services (Trust) Simon Sheldon - Director of Finance & Resources (Authority)
HR On-boarding and Off-boarding	10	Potential areas include: <ul style="list-style-type: none"> • Induction process; 	Nigel Foxall - Director of Business Services



Audit	Planned Days	Proposed Coverage	Lead Contact(s)
Volunteer Management	8	<ul style="list-style-type: none"> • Probationary periods; • Supply and return of IT equipment; • Supply and return of ID badges and access cards; and • Work handovers. <p>Potential areas include:</p> <ul style="list-style-type: none"> • Identification of volunteer opportunities; • Induction and training; • Expense payments; • Retention; and • Performance Monitoring. 	<p>(Trust)</p> <p>Simon Sheldon - Director of Finance & Resources (Authority)</p> <p>Nigel Foxall - Director of Business Services (Trust)</p> <p>Simon Sheldon - Director of Finance & Resources (Authority)</p>
Marketing and Communication	8	<p>Potential areas include:</p> <ul style="list-style-type: none"> • Internal communication; • External communication and marketing; • Marketing strategy; • Branding; • Management reporting; and • Promotional vouchers. 	<p>Nigel Foxall - Director of Business Services (Trust)</p> <p>Stephen Bromberg Head of PR/Comms (Authority)</p>
Change Management	10	<p>Due to the number of changes taking place and with the re-tender of the service provider contract an audit of Change Management would provide assurance as to the steps being taken to ensure a smooth transition.</p>	<p>Shaun Dawson Chief Executive Officer</p> <p>Simon Sheldon - Director of Finance & Resources (Authority)</p>
Risk Management (Authority and Trust)	10	<p>Following the creation of the Trust as separate business entity as from 1 April 2015, a new risk register was developed to take account of the operations and responsibilities that have transferred over to the Trust.</p> <p>We reviewed the adequacy of the Risk Management Framework during 2017/18 to ensure that the Trust's approach to managing risk is clearly defined (including risk appetite and responsibilities to identify, evaluate and cost effectively control all significant risks inherent to the Trust's business) and that risk is considered by management, staff and members in all decision making processes as</p>	<p>Nigel Foxall - Director of Business Services (Trust)</p> <p>Simon Sheldon - Director of Finance & Resources (Authority)</p>



Audit	Planned Days	Proposed Coverage	Lead Contact(s)
Parkland & Venues		<p>part of their day-to-day operations. During 2019/20, we will assess whether the risk management processes for both the Authority and Trust are operating efficiently and effectively.</p>	
Facilities - Unannounced Spot Check, TBC	6	<p>As requested by management, we will complete a spot check to assess the venue's compliance with policies and procedures relating to invoicing, income & cash handling, purchases, stock management and vouchers & discounts.</p>	Nigel Foxall - Director of Business Services (Trust)
Facilities - Unannounced Spot Check, TBC	6	<p>As requested by management, we will complete a spot check to assess the venue's compliance with policies and procedures relating to invoicing, income & cash handling, purchases, stock management and vouchers & discounts.</p>	Nigel Foxall - Director of Business Services (Trust)
Facilities - Unannounced Spot Check, TBC	6	<p>As requested by management, we will complete a spot check to assess the venue's compliance with policies and procedures relating to invoicing, income & cash handling, purchases, stock management and vouchers & discounts.</p>	Nigel Foxall - Director of Business Services (Trust)
IT Audit			
Cyber Security	10	<p>All organisations as advocated by the UK Government have a responsibility to ensure that Cyber Security, which is regarded as one of the most serious 'Tier One' national security challenges, is on the corporate and ICT agenda. Furthermore, arrangements are in place to respond to the rapid growth and change in both the sophistication and intensity of cyber attacks. There are many motives for attacking an organisation, such as, political, disruption, theft of personal data and multiple routes of attack which can directly impact staff, services and stakeholders.</p> <p>The purpose of this review is to assess the adequacy and effectiveness of the management control framework established and applied to the corporate information assets in order to mitigate the risk from common internet based threats (Cyber security attacks), within the context of HM Government 5 key steps to Cyber Security.</p>	Simon Clark - IT Manager (Authority) Michael Sterry - Performance & Information Manager (Trust)

Audit	Planned Days	Proposed Coverage	Lead Contact(s)
Business Continuity and Disaster Recovery	12	The audit will look at the Organisation's business continuity arrangements. Business Continuity is the foundation which will help the Organisation recover from a disaster by ensuring measures are in place to facilitate the controlled restoration of services based on how the business has prioritised its service. Business Continuity concentrates on the user end of the recovery process and should be linked closely with disaster recovery planning.	Dan Buck Head of Sport & Leisure & Simon Clark - IT Manager (Authority) Nigel Foxall - Director of Business Services (Trust)
Follow-Up, Management and Consultation, and Contingency			
Follow-Up	10	Completion of follow-up work on recommendations raised and agreed as part of the 2018/19 Internal Audits. The follow-up work is of key importance in terms of ensuring that previously raised and agreed recommendations have been implemented by management. If this is not the case, the Authority and Trust's risk exposure is not lowered in respect of the weaknesses originally identified, and hence the value of the internal audit work undertaken is reduced.	N/A
Management and Consultation	17	To cover attendance by Mazars management at relevant Audit Committee meetings and production of required reports for these. Also to cover attendance at progress meetings and any other meetings not specifically related to individual audits. In addition, to cover Mazars managements' non-audit specific liaison and communication with officers across the Authority/Trust and with the Authority/Trust's external auditors.	N/A
Total	163		



Appendix 1 - Statement of Responsibility

We take responsibility to Lee Valley Regional Park Authority for this report which is prepared on the basis of the limitations set out below.

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We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

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In this document references to Mazars are references to Mazars Public Sector Internal Audit Limited.

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Mazars Public Sector Internal Audit Limited is a subsidiary of Mazars LLP. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.



LEE VALLEY REGIONAL PARK AUTHORITY
AUDIT COMMITTEE
20 JUNE 2019 AT 14:00

Agenda Item No:

6

Report No:

AUD/102/19

**ANNUAL REPORT ON HEALTH & SAFETY 2018/19
AND HEALTH & SAFETY AUDIT PLAN 2019/20**

Presented by the Director of Finance & Resources

SUMMARY

This report sets out the Health & Safety work provided by RD Health & Safety, the Authority's Health & Safety service provider, during the financial year 2018/19. The report covers all aspects of Health & Safety work carried out in the Authority and Lee Valley Leisure Trust Ltd.

The main areas for Members to note are:

- a combined Authority/Lee Valley Leisure Trust Ltd corporate average score of 88.9% on all Health & Safety audits was achieved against a stretch target of 95%;
- of the 7.3 million visits the accidents reduced from 2.1 per 10,000 visits in 2017/18 to 1.8 per 10,000 visits in 2018/19;
- 4 accidents (4 in 2017/18) were reported to the Health & Safety Executive (under RIDDOR);
- completion of a comprehensive training programme;
- establishing the Joint Water Safety Partnership;
- major events: Women's Hockey World Cup; Shell Eco Event; Lee Valley White Water Christmas Market; Countryside Live; Six-Day London; Music festivals at Three Mills and other smaller events across the Authority and Lee Valley Leisure Trust Ltd.

RECOMMENDATIONS

- Members Note: (1) the annual report of RD Health & Safety for 2018/19 detailed in Appendix A to this report;
- Members Approve: (2) the aims and objectives for 2019/20, also set out in Appendix A in the annual report of RD Health & Safety; and
- (3) the signing of this years' Health & Safety Policy Statement attached as Appendix B to this report.

BACKGROUND

- 1 The Health & Safety (H&S) service was out-sourced during 2007 and a contract awarded to Right Directions to provide a full and comprehensive H&S service to the Authority. The contract was retendered for 7 years (with the option for extending up to 3 years) from October 2012 and Right Directions (now known as RD Health & Safety (RDHS)) were again appointed as the approved provider. RDHS have extended their contract with Lee Valley Leisure Trust Ltd (the Trust) until 31 March 2020 and with the Authority for a further two years. This report looks at delivery of the H&S service during 2018/19 and summarises the scope of audit coverage during the last financial year.
- 2 RDHS have prepared a comprehensive report for work undertaken in 2018/19 and this is set out in Appendix A to this report.

HEALTH & SAFETY WORK – 2018/19

- 3 All planned H&S activity was completed in accordance with the 2018/19 plan along with increased support for events and a number of special reviews and activities, carried out with an emphasis on water and fire safety.
- 4 RDHS have prepared a comprehensive report summarising the reviews and their findings and this is attached as Appendix A to this report.
- 5 In all H&S audits recommendations were made to improve the system of managing H&S and these recommendations were accepted. Follow-up reviews will be undertaken in the next twelve months to ensure appropriate action has been taken.
- 6 In monitoring the contractor's (RDHS) performance each site/area that is audited is requested to confidentially feedback on the service that they received from the contractor. There was 100% positive feedback and managers felt the overall service met or exceeded expectations.

AUDIT FINDINGS – 2018/19

- 7 The full RDHS report is attached at Appendix A to this report for Members information.
- 8 The key message from RDHS is embodied in their opinion shown on page 2 of Appendix A which states:

In our view elected Members of the Authority can seek a higher level of assurance from the Health & Safety work carried out during 2018-19;

*Based on the audits completed in our Health & Safety Assurance Programme covering the period, 1 April 2018 to 31 March 2019, limited to the audit scopes as agreed by the Audit Sponsor, with the exception of any weaknesses identified in our detailed reports, in our opinion, Lee Valley Regional Park Authority (LVRPA) has strong and **effective systems** over risk and Health & Safety, which provided a **higher level of assurance** regarding the effective and efficient achievement of Lee Valley's objectives.*

In respect of the Trust:

Based on the audits completed in our Health & Safety Assurance Programme covering the period, 1 April 2018 to 31 March 2019, limited to the audit scopes as agreed by the Audit Sponsor, with the exception of any weaknesses identified in our detailed reports, in our opinion, Vibrant Partnerships (Vibrant) has robust and effective systems over risk and Health & Safety, which provide reasonable assurance regarding the effective and efficient achievement of Vibrant objectives.

KEY HIGHLIGHTS - 2018/19

- 9 The key work delivered from the H&S team during 2018/19 is detailed in their report. In summary, the key highlights are:
 - achieving a corporate average score of 88.9%;
 - delivery of comprehensive training and e-learning;
 - supporting the Joint Water Safety Partnership;
 - new process and emphasis regarding fire risk management; and
 - major events: Women's Hockey World Cup; Shell Eco Event; Lee Valley White Water Christmas Market; Countryside Live; Six-Day London; Music festivals at Three Mills and other smaller events across the Authority and the Trust.
- 10 The Authority (96.5%) and the Trust (85.6%) achieved a combined average 88.9% score across all sites (95% stretch target set for 2018/19) compared to 90.5% achieved in 2017/18. The achievement of a near 90% average score is still an ongoing significant achievement, but the slight fall (mainly attributable to Picketts Lock and Lee Valley Ice Centre) requires remedial action and closer monitoring to ensure a downward trend does not materialise and moves both organisations away from the 5* British Safety Council levels (approx. 92%). A proposed stretch target of 95% will be set in 2019/20 to ensure all sites strive to maintain the highest level of H&S standards the organisations have been achieving in recent years.
- 11 Having achieved a 88.9% combined score RDHS believe the Authority and the Trust are not necessarily exposed to increased risk as a fall in the number of accidents per 10,000 visits indicates, although additional work is required to ensure focus remains on the risk profile of the Authority and the Trust, overall compliance and effective delivery of the H&S Management System.
- 12 The RDHS report also includes a summary of RIDDOR incidents 4 (4 in 2017/18), during the year and provides detail of the position with regard to insurance claims up to 31 March 2019.

Numbers of accidents and incidents are low and in percentage terms generally consistent across years - this is a positive indicator considering the number of visitors (7.3 million 2018/19 up from 7.1 million in 2017/18). Accidents reduced from 2.1 per 10,000 visits in 2017/18 to 1.8 per 10,000 visits in 2018/19.

ANNUAL HEALTH & SAFETY OBJECTIVES 2019/20

- 13 The report by RDHS sets out a summary of objectives for 2019/20 and takes into account the following:

- the Authority and Trust's Strategic Risk Registers;
- a stretch target of 95%;
- findings from previous years' H&S work; and
- planned developments within both organisations.

14 There are 260 contracted days to allow completion of the H&S Plan in 2019/20 and Members are asked to approve the aims and objectives as set out in Appendix A to this report.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCE IMPLICATIONS

18 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

20 There are no risk management implications arising directly from the recommendations in this report. The percentage of accidents to usage has decreased to 1.8+ per 10,000 visits, although a decline in the overall audit score 88.9% means Members, Senior Management and Officers need to be vigilant in their application of H&S management systems, processes and procedures. Figures continue to be monitored monthly and reported quarterly to the Senior Management Teams of both the Authority and the Trust so any emerging trends can be managed accordingly.

Author: Simon Sheldon, 01992 709859, ssheldon@leevalleypark.org.uk

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/89/18	Annual Report on Health & Safety 2017/18 & Annual Audit Plan 2018/19	21 June 2018
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Audit Committee	AUD/78/17	Annual Report on Health & Safety 2016/17 & Annual Audit Plan 2017/18	22 June 2017
Audit Committee	AUD/68/16	Annual Report on Health & Safety 2015/16 & Annual Audit Plan 2016/17	16 June 2016
Audit Committee	AUD/60/15	Annual Report on Health & Safety 2014/15 & Annual Audit Plan 2015/16	25 June 2015
Audit Committee	AUD/52/14	Annual Report on Health & Safety 2013/14 & Annual Audit Plan 2014/15	19 June 2014
Audit Committee	AUD/39/13	Annual Report on Health & Safety 2012/13 & Annual Audit Plan 2013/14	20 June 2013
Audit Committee	AUD/29/12	Annual Report on Health & Safety 2011/12 & Annual Audit Plan 2011/12	28 June 2012
Audit Committee	AUD/19/11	Annual Report on Health & Safety 2010/11 & Annual Audit Plan 2011/12	02 June 2011
Audit Committee	AUD/08/10	Annual Report on Health & Safety 2009/10 & Annual Audit Plan 2010/11	20 May 2010

APPENDICES ATTACHED

Appendix A	Health & Safety Annual Performance Review April 2015 to March 2016
Appendix B	RIDDOR reported accidents
Appendix C	Current insurance claims to 31.3.2016

LIST OF ABBREVIATIONS

HSE	Health & Safety Executive
H&S	Health & Safety
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RDHS	RD Health & Safety

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Health & Safety Annual Performance Review

April 2018 to March 2019

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Health & Safety Annual Performance Review

April 2018 to March 2019

Introduction

RDHS Ltd are the approved contractor for delivering a Health & Safety contract to the Lee Valley Regional Park Authority and Vibrant Partnerships. This report covers an annual performance review of Health & Safety across the Authority and Vibrant, recommending a plan for the year ahead in 2019-20.

Assurance

In our view elected Members of the Authority and Trustees of Vibrant Partnerships can seek a high level of assurance from the Health & Safety work carried out during 2018-19;

Lee Valley Regional Park Authority

*Based on the audits completed in our Health & Safety Assurance Programme covering the period, 1 April 2018 to 31 March 2019, limited to the audit scopes as agreed by the Audit Sponsor, with the exception of any weaknesses identified in our detailed reports, in our opinion, Lee Valley Regional Park Authority (LVRPA) has **strong and effective systems** over risk and Health & Safety, which provide **a higher level of assurance** regarding the effective and efficient achievement of Lee Valley's objectives*

Vibrant Partnerships

*Based on the audits completed in our Health & Safety Assurance Programme covering the period, 1 April 2018 to 31 March 2019, limited to the audit scopes as agreed by the Audit Sponsor, with the exception of any weaknesses identified in our detailed reports, in our opinion, Vibrant Partnerships (Vibrant) has **robust and effective systems** over risk and Health & Safety, which provide **reasonable assurance** regarding the effective and efficient achievement of Vibrant objectives.*

Delivery of 2018-19 Plan

- A large proportion of time spent providing event safety support advising on both health and safety and spectator safety
- Craig Combe left RDHS Limited in February; H&S Team provision and resilience maintained, with the core role of Health and Safety Advisor jointly managed between Joe Ryan (South Venues, Strategy and Leadership) and Hamish Cherrett (North Venues and process)
- Two Safety Leadership team meetings held during 2018-19 (joint Authority and Trust)
- Four Safety Coordination Group (SCG) meetings have been held during 2018-19, attendance remained inconsistent throughout the year although improving through Q3 and Q4
- Site Safety Coordinators updated, taking account of new appointments to venue teams including Site Safety Coordinators at Hayes Hill Farm and Picketts Lock Golf
- The H&S Team achieved NEBOSH Diploma and Grad. IOSH status in 2018-19
- Aiding in developing location codes through 'What3Words' software which can be incorporated into local emergency service response planning
- Extreme Hot Weather information was also added to the website in light of the extended periods of hot and dry weather during the Summer of 2018.
- 1091 Training Courses delivered through E-Learning
- 141 staff successfully completed classroom based training
- 1125 Counter Terrorism Training delivered through E-Learning.

Policy

- LVRPA Policy Statement was signed and issued in July 2018 (and a new Policy Statement is attached to this report for approval from July 2019)
- Vibrant Partnerships H&S Policy Statement was been submitted to the Safety Leadership Team in April 2019 and the Board of Trustees in May 2019. The Trustees have approved.

Health and Safety Resourcing

- H&S Team continue to deliver support services across all functions, supporting all Trust Venues, Youth & Schools and IT, Rangers, Fisheries, Farm and Myddelton House
- Continue to support Events
- Joe Ryan delivering strategic leadership for the H&S Team
- ICT and Catering services have been invited to formally join Safety Coordination Group (SCG)
- Site Safety Coordinators updated, taking account of new appointments to venue teams including Site Safety Coordinators at Hayes Hill Farm and Picketts Lock Golf
- The H&S Team achieved NEBOSH Diploma and Grad. IOSH status in 2018-19
- H&S Team continue to work towards completing L4 Spectator Safety NVQ Workbooks.

Safety Coordination Group

- Four Safety Coordination Group (SCG) meetings have been held during 2018-19.
- Focus has been on;
 - *Training planning and competency - Changes to training arrangements (E Learning) and the need to maintain skills-based training within programmes*
 - *Workforce engagement through H&S Survey*
 - *Plan for reviewing and updating Fire Risk Assessments*
 - *HSMS section updates*
 - *Lone working and sharing of incident information*
 - *Issues around Travellers and trespassers gaining access to Lee Valley property and how to manage this*

Safety Leadership Team

- Two Safety Leadership team held during 2018-19
- Focus has been on;
 - *Training (inc. attendance)*
 - *Event Safety*
 - *Emergency Procedures with enhanced security arrangements*
 - *Water and fire safety.*

Water Safety Partnership

We have continued attendance at the multi-agency Robbie Lea Water Safety Partnership;

- Supporting a review of water safety signage



Health & Safety Annual Performance Review

April 2018 to March 2019

- Aiding in developing location codes through 'What3Words' software which can be incorporated into local emergency service response planning
- Analysing the impact of introducing additional rescue equipment within certain areas of the Park. This is a challenging assessment given the complex and vast bodies of water coupled with ongoing issues of anti-social behaviour.
- Water Safety Assessments undertaken at publicly accessible bodies of water with the support of the Rangers team and using a recognised RoSPA format.

Communication & Consultation

- Water safety messages (Summer and Winter) reviewed and posted on the 'Visit Lee Valley' website prior to significant warm/cold weather setting in
- Extreme Hot Weather information was also added to the website in light of the extended periods of hot and dry weather.

Health & Safety Related Meetings Attended

- Monthly H&S Management meetings
- LOC planning meetings for UCI Track Cycling World Cup 2018
- LOC planning meetings for Hockey Pro League
- LOC planning meetings for Canoe Slalom World Cup in 2019
- White Water Centre Christmas Market planning meetings
- Attendance at Safety Advisory Group's (SAG)
- New Authority GIS system integration into Incident Management Software
- Water Safety Partnership quarterly update
- Venue specific H&S support days
- Quarterly H&S Training Coordination meeting with HR Dept.



Health & Safety Annual Performance Review April 2018 to March 2019

Training Provision / Staff Competency 2018-19

Health & Safety E-Learning Modules													
Course Title	Number of Course Completions												Total
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
COSSH & Hazardous Substances	8	5	5	1	10	6	2	32	1	6	9	11	96
Display Screen Equipment	8	7	1	7	9	7	3	34	0	7	5	9	97
Electrical Safety	8	5	2	5	6	6	3	30	0	4	3	8	80
Facility Inspection	8	5	1	1	4	6	3	37	1	3	7	7	83
H&S Induction	7	8	8	10	8	13	5	43	0	8	3	9	122
Lone Working	8	6	1	1	5	6	3	33	1	7	9	7	87
Manual Handling	8	6	5	3	5	6	4	40	0	8	4	8	97
Permits to Work	8	5	1	1	5	6	2	29	1	4	6	7	75
Slips and Trips	8	6	2	1	5	6	3	37	0	6	4	6	84
Work Equipment	8	6	2	1	5	6	2	41	0	8	8	8	95
Working at Height	8	5	1	1	5	6	1	29	0	9	5	8	78
Legionella Awareness	NA	1	10	4	5	9	4	38	0	9	7	10	97
Totals	47	65	39	34	72	83	35	423	4	79	70	98	1091

Counter Terrorism Modules (E-Learning)													
Course Name	Number of Course Completions												Total
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Module 1: Introduction to Counter-Terrorism	NA	8	23	6	34	36	47	14	1	11	8	12	200
Module 2: Identifying Security Vulnerabilities	NA	5	17	6	24	36	47	15	1	11	7	12	181
Identify and Respond to Suspicious Behaviour	NA	9	23	5	13	11	42	12	1	11	7	12	146
Identify and Deal with a Suspicious Items	NA	11	18	5	12	11	42	12	1	11	7	12	142
In the Event of a bomb threat	NA	15	18	4	12	11	41	12	1	11	7	12	144
Respond to a Firearms or Weapons Attack	NA	5	18	4	12	12	41	12	1	11	7	12	195
and Supporting Materials	NA	5	17	4	25	35	46	14	1	11	7	12	177
Totals	0	58	134	34	132	152	306	91	7	77	50	84	1125

Class-Based Sessions			
Course Name	Date	Number of Course Completions	
		No. Delegates Attended	No. Delegates Achieved
First Aid at Work	18/19/21 Apr	9	9
First Aid at Work Revalidation	24/27 Apr	2	2
Emergency First Aid at Work	26-Apr	8	8
Emergency First Aid at Work	01-May	4	4
First Aid at Work Revalidation	15/16 May	2	2
Emergency First Aid at Work	4/6 Jun	5	5
First Aid At Work Revalidation	13/14 Jun	8	8
Emergency First Aid at Work	20-Jun	9	9
Emergency First Aid at Work	10-Jul	6	6
First Aid At Work	24/25/26 Jul	3	3
First Aid At Work Revalidation	6/7 Aug	3	3
Fire Marshal	05-Sep	5	5
Manual Handling	14-Sep	5	5
Paediatric First Aid	24-Oct	5	5
First Aid at Work	29-Oct	5	5
First Aid at Work	12-Nov	6	6
Food Safety	22-Nov	8	8
FAW Re-qualification	10-Dec	5	5
Emergency FAW	20-Dec	7	7
Emergency FAW	21-Dec	2	2
Food Safety	10-Jan	10	10
Emergency First Aid	25-Jan	6	6
Emergency Paediatric First Aid	30-Jan	8	8
Emergency First Aid	08-Mar	4	4
First Aid at Work	12-Mar	6	6
Totals		141	141

Do

- Both LVRPA and Vibrant Partnerships Health and Safety Management System (HSMS) have been reviewed and updated
- H&S Team continue to closely support Events across Lee Valley
- Fire risk assessments has been reviewed as part of ongoing work
- Continuation of the unannounced E. coli inspections at the farms have been undertaken by the H&S Team. No issues to report.





Health & Safety Annual Performance Review

April 2018 to March 2019

Health & Safety Management System

- Both LVRPA and Vibrant Partnerships Health and Safety Management System (HSMS) have been reviewed and updated
- Updates from October 2018 were shared with SCG and SLT prior to upload to Compass. The following sections were reviewed during this period:
 - *Staff Competency*
 - *Worker Engagement*
 - *Accident & Incident Reporting*
 - *Asbestos Management*
 - *Confined Spaces*
 - *Construction, Design & Management (CDM)*
 - *Contractor Management / Permit to Work Scheme*
 - *Display Screen Equipment (DSE)*
 - *Countryside Management*
 - *Display Screen Equipment (DSE)*
 - *Electricity at Work*
 - *Emergency Action Plan (Venues)*
 - *Event Safety*
- All HSMS documents are up to date on Compass to ensure accessible to staff.

Events

Support for events is provided from the planning stage through to the delivery and “bump out” process. Areas for improvement and good practice are fed into the event de-briefs. H&S Team continue to closely support Events across Lee Valley, in particular support was provided for the following:

- **Hockey Pro League** – Ongoing planning support as required
- **Canoe Slalom World Cup** - Ongoing planning support as required including attendance at LOC and SAG
- **Boxing event at LVAC** – Provision of advice and support to ensure that appropriate planning documents in place and competent sign off of contractor RAMS. A small scale event which passed off without incident however important that well planned and managed given event type and crowd profiles.
- **WWC Christmas Market** – advice on Ice Pad operations, sign off of Event Plan and contractor RAMS and site visits during build phase
- **Track Cycling World Cup** – Full support for both event organiser as well as Authority and Venue planning. Team on site during entire build phase and as part of event.
- **Authority Events Team**
 - Notable support has been provided to the Events Team in providing assurance on third party festivals at Three Mills and Waterworks as well as Countryside Live
 - Reviews of documentation, site inspections and on-site presence have helped the team facilitate safe events and mitigate risks.

E. coli Inspections

Continuation of the unannounced E.coli inspections at the farms is being undertaken by the H&S Team. No issues to report.

Fire Risk Assessments

The programme of fire risk assessments (FRA) has been reviewed as part of ongoing work and as such the following venues are due a review or re-issue of their specific Fire Risk Assessment in Jan / Feb 2019:

- Riding Centre
- Ice Centre
- Waterworks Centre
- Athletics Centre
- Hayes Hill Farm
- Stanstead Marina
- Springfield Marina
- Dobbs Weir Campsite
- Sewardstone Campsite
- Picketts Lock Campsite / Golf Course
- Holyfield Hall Farm

These are being coordinated by the H&S Team and being undertaken by Fire Safety Specialist under PAS79 format which is a widely recognised methodology for undertaking a fire risk assessment. It is a Publicly Available Specification. The FRA's for the above sites have all been completed in accordance with the agreed timeline. A programme for review will be set during 2019-20, no more than 12 months after the initial FRA's were completed.

Although not a British Standard, it has been developed and published by the British Standards Institution, BSI. This brings all venues fully up to date and will provide clear risk profiles and recommended actions to reduce potential fire risk. The H&S Team will work closely with each venue to develop risk reduction plans where required.

Check

- LVRPA Accidents (23/23) and Incidents have increased (602/535) *
- Vibrant Partnerships Accidents (632/807) have decreased & Incidents have decreased (83/126) *
- RIDDOR reports (LVRPA 0/2), Vibrant (4/2) *
- Staff Accidents (LVRPA 11/13), Vibrant (41/35) *
- Contractor Accidents (LVRPA 0/0), Vibrant (7/4) *
- Overall decrease in Accidents & Incidents across both organisations by 3 (1340/1491) *
- Footfall increased by 268,467
- Accident Incidence Rate (AIR); $No. \text{ of } Acc' / Inc' \times 10,000 \text{ visits} / Total \text{ No. of Visits} = \underline{No. \text{ of Accidents per } 10,000 \text{ visits}}$
- AIR 2018-19 = 1.83 per 10,000 visits (2017-18 2.12 per 10,000 visits)
- 11 new Personal Injury Insurance Claims in 2018-19
- 9 current 'live' Personal Injury Insurance Claims in 2018-19
- 3 Personal Injury Insurance Claims 'closed' in 2018-19.

* (2018-19 / 2017-18 figures)

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Health & Safety Annual Performance Review

April 2018 to March 2019

LVRPA									
Month	Accidents reported			Incidents reported			RIDDOR Reports		
	2018-19	2017-18	Direction of Travel	2018-19	2017-18	Direction of Travel	2018-19	2017-18	Direction of Travel
Apr	0	2	●	57	49	●	0	0	●
May	2	5	●	70	50	●	0	2	●
Jun	6	1	●	52	37	●	0	0	●
Q1 Totals	8	8	●	179	136	●	0	2	●
Jul	4	2	●	102	42	●	0	0	●
Aug	3	1	●	55	58	●	0	0	●
Sept	2	2	●	30	41	●	0	0	●
Q2 Totals	9	5	●	187	141	●	0	0	●
Oct	1	5	●	57	56	●	0	0	●
Nov	1	1	●	46	35	●	0	0	●
Dec	0	1	●	29	25	●	0	0	●
Q3 Totals	2	7	●	132	116	●	0	0	●
Jan	1	0	●	20	54	●	0	0	●
Feb	1	0	●	34	27	●	0	0	●
Mar	2	3	●	50	61	●	0	0	●
Q4 Totals	4	3	●	104	142	●	0	0	●
Annual Totals	23	23	●	602	535	●	0	2	●

LVRPA						
Month	Staff / Volunteer Accidents			Contractor / Agency Accidents		
	2018-19	2017-18	Direction of Travel	2018-19	2017-18	Direction of Travel
Apr	0	1	●	0	0	●
May	1	4	●	0	0	●
Jun	1	1	●	0	0	●
Jul	3	1	●	0	0	●
Aug	2	1	●	0	0	●
Sept	1	2	●	0	0	●
Oct	1	2	●	0	0	●
Nov	1	1	●	0	0	●
Dec	0	0	●	0	0	●
Jan	1	0	●	0	0	●
Feb		0	●		0	●
Mar		0	●		0	●
Annual Totals	11	13	●	0	0	●

LVRPA Accident / Incident Figures 2018-19 (including 2018-19 comparator)



Vibrant Partnerships									
Month	Accidents reported			Incidents reported			RIDDOR Reports		
	2018-19	2017-18	Direction of Travel	2018-19	2017-18	Direction of Travel	2018-19	2017-18	Direction of Travel
Apr	66	73	●	12	10	●	0	0	●
May	73	69	●	3	5	●	1	0	●
Jun	83	72	●	4	15	●	0	0	●
Q1 Totals	222	214	●	19	30	●	1	0	●
Jul	79	135	●	11	12	●	1	2	●
Aug	65	98	●	14	21	●	0	0	●
Sept	34	74	●	11	13	●	0	0	●
Q2 Totals	178	307	●	36	46	●	1	2	●
Oct	44	68	●	7	13	●	0	0	●
Nov	52	39	●	1	10	●	0	0	●
Dec	28	45	●	8	9	●	1	0	●
Q3 Totals	124	152	●	16	32	●	1	0	●
Jan	38	40	●	2	7	●	1	0	●
Feb	36	36	●	5	7	●	0	0	●
Mar	34	58	●	5	4	●	0	0	●
Q4 Totals	108	134	●	12	18	●	1	0	●
Annual Totals	632	807	●	83	126	●	4	2	●

Vibrant Partnership Accident / Incident Figures 2018-19 (including 2017/18 comparator)

Vibrant Partnerships						
Month	Staff / Volunteer Accidents			Contractor / Agency Accidents		
	2018-19	2017-18	Direction of Travel	2018-19	2017-18	Direction of Travel
Apr	4	5	●	1	0	●
May	4	3	●	0	0	●
Jun	7	2	●	3	1	●
Jul	10	7	●	1	2	●
Aug	1	4	●	1	0	●
Sept	1	5	●	0	0	●
Oct	3	3	●	1	0	●
Nov	4	1	●	0	0	●
Dec	2	2	●	0	0	●
Jan	5	1	●	0	0	●
Feb		2	●		1	●
Mar		0	●		0	●
Annual Totals	41	35	●	7	4	●



Health & Safety Annual Performance Review

April 2018 to March 2019

LVRPA & Vibrant Combined Accident / Incident Figures 2018-19

Figures across both organisations and include contractors reported accidents & incidents

LVRPA & Vibrant Partnerships Combined							
Quarter	Total Accidents & Incidents Reported		Visitor Figures		Accidents & Incidents per 10,000 visits		Direction of Travel
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	
Q1	428	388	2,154,564	2,199,696	1.99	1.76	●
Q2	410	499	2,438,187	2,263,792	1.68	2.20	●
Q3	274	307	1,378,071	1,304,017	1.99	2.35	●
Q4	228	297	1,337,139	1,271,989	1.71	2.33	●
Annual Totals	1,340	1,491	7,307,961	7,039,494	1.83	2.12	●

Summary of Accidents, Incidents and Near Miss Reports

- Higher instances of 'other' incident are coming through Rangers / Parkguard team. Detail of this indicates that 'car park lock ins' are becoming more frequent issues that teams are responding to
- 'Unauthorised Encampment' now added to Prime to report Traveller incursions given increasing prevalence of this
- Number of accidents reported through the Authority continues to be very low
- Staff and volunteer accidents remain low for the Authority
- Vibrant accident figures have dropped significantly
- Vibrant Incident figures are very low
- Number of Vibrant staff accidents has reduced
- Number of accidents / incidents per 10,000 visitors remains low. Year on year the number of accidents per 10,000 visitors has dropped and remains below 2 per 10,000 which is positive
- Authority figures remain low across both quarters with incidents on the rise for most months
- Abandoned and nuisance vehicles (including off-road motorcycle) are significantly the highest type of incident being reported however during the summer there was an expected rise in unauthorised swimming, and we believe the actual number of those swimming to be far higher than what has been reported
- Vibrant accident figures dropped significantly in Q2. Investigation into this indicated that a high proportion of accidents in 2017 Q2 occurred at White Water Centre inflatable park which was not operating to the same level in 2018
- There were also drops in accidents reported on the White-Water Courses and on the Velodrome tracks which venues state is due to the drop in number of 'taster' sessions booked so fewer inexperienced participants
- The number of accidents occurring at the Hockey Centre has also dropped in Q2 specifically due to closure of the venue for the Hockey World Cup
- An important point to note is the accident reports from events such as Hockey World Cup were not entered onto Prime.

RIDDOR Reportable Accidents:

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- There has been 4 Staff RIDDOR Reportable Accidents during 2018-19;
 - **Pickets Lock Campsite (Staff)** - a member of Rangers team injured while cutting branches – no issues found with working practice or equipment
 - **Waterworks (Staff)** - an Authority employee injuring themselves on Vibrant premises. The IP was undertaking work to remove limbs from a fallen tree. The chainsaw became stuck. In trying to free it, there was a sudden movement in the tree resulting in IP being struck in the face resulting in lacerations. He was wearing a protective helmet and visor at the time.
 - **LV Ice Centre (Staff)** - Member of staff at Ice Centre fell whilst marshalling the public session landing on elbow causing it to break. There was no immediate remedial action required as no defects found with equipment or surface.
 - **White Water Centre (Staff)** - Member of staff was walking behind the deli counter of the main restaurant on the first floor and slipped on some water on the floor. This water had come from a recent floor clean that had taken place where signage had been put out while left to dry. The area was checked following the accident and no faults or defects identified.

Personal Injury (PI) Insurance Claims Management

New personal injury claims received during 2018-19:

- 11 new Personal Injury Insurance Claims in 2018-19
- 9 current 'live' Personal Injury Insurance Claims in 2018-19
- 3 Personal Injury Insurance Claims 'closed' in 2018-19
- See Appendix 3 for the full Insurance Claims Summary.

Current live personal injury claims are:

- **370 (Dobbs Weir)** - Claimant lent on the decking (Wigwam) and it gave way causing the Claimant to fall off the decking onto the floor. (8/1/18) **Liability accepted and reserve set**
- **371 (LVIC)** - Claimant suffered pain and bruising to leg following skating session. States they have been in pain and off work for over 5 days. Insurers advise they have **rejected claim** based on evidence provided, awaiting update before closing
- **373 (WWC)** - Claimant was helping to put away large bouncy castle in the rain and slipped over, suffering a triple leg break and claims they were wearing inappropriate footwear for the task (taken shoes off and wearing socks). **Liability accepted and reserve set**
- **374 (Waterworks Nature Reserve)** - Claimant tripped on uneven paving surface suffering multiple injuries. **Liability accepted and awaiting further advise from insurers**
- **375 (LVAC)** - Claimant tripped on track edging which had been left in situ during a non-sporting event. **Liability accepted and awaiting further advice from insurers**
- **376 (WWC)** - Member of staff claims they suffered back injuries as a result of poor induction, lack of supervision, lack of equipment and no procedures. Insurers advise they have **rejected claim** based on evidence provided, awaiting update before closing
- **377 (VeloPark)** - Claimant states they fell off their bike while cycling along public footpath next to mountain bike course due to poorly maintained surface. Insurers advise they have **rejected claim** based on evidence provided, awaiting update before closing



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April 2018 to March 2019

- **378 (WWC)** - Child injured themselves climbing on low wall next to sand play park due to nail sticking out of fence. **Liability accepted and reserve set**
- **379 (Ice Centre)** - Alleged that minor suffered multiple leg fractures after fall on ice and subsequent drop by member of staff while dealing with injured party. Loss adjuster has completed report and insurers advise they have **rejected claim** based on evidence provided, awaiting update before closing.

Closed personal injury claims:

- **367 (Three Mills)** - Claimant tripped on raised matting in playground where they suffered injury. **Liability accepted and settlement reached**
- **369 (Waterworks)** - Damage to claimant vehicle by gate that was under the control of staff member. **Liability accepted and settlement reached**
- **372 (Old Mill & Meadows)** - Claimant slipped on ice within car park as they got out of their car. Was originally claimed this occurred at Myddelton House however has been re-submitted with updated location. Insurers advise they have **rejected claim** based on evidence provided, awaiting update before closing.

New claims in 2018-19:

- 370 (Dobbs Weir)
- 371 (LVIC)
- 372 (Old Mill & Meadows)
- 373 (WWC)
- 374 (Waterworks Nature Reserve)
- 375 (LVAC)
- 376 (WWC)
- 377 (Velopark)
- 378 (WWC)
- 379 (Ice Centre)
- 380 (Dobbs Weir)

A full summary of Personal Injury Claims is attached to this report.

Insurance Issues / Risk Surveys

Meeting in December with Risk Control Coordinator from Travelers covered a number of topics including:

- Provision of 'Claim Defensibility' training for Section / Venue Managers and Site Safety Coordinators – this is provisionally scheduled for April 2019
- Request from WWC to deliver offsite kayak trips has been referred back to the Venue based on insufficient risk assessment
- Vibration risks at Holyfield Farm
- Site visit to Hockey & Tennis Centre and Velopark - no issues identified.



Health & Safety Annual Performance Review

April 2018 to March 2019

Act

- The 2018-19 Audits conducted in November to February 2018-19
- LVRPA Performance is still extremely high at 96.5% (+1.2%) for LVRPA (and exceeds the 92% required by the British Safety Council 5* accreditation)
- Vibrant Partnerships Performance continues to be below expectations at 85.6% (-2.8%)
- Aggregated Performance between both organisations dropped to 88.9% (-1.6%)
 - LV Ice Centre dropped 16.1%
 - Pickets Lock Campsite dropped 13.0%
 - Pickets Lock Campsite dropped 7.1%.

Health & Safety Annual Performance Review

April 2018 to March 2019

Venue	Overall Compliance	2017-18 Score	Year on Year Variance
Fisheries	97.9	94.7	3.2
Greenspaces	95.5	98.4	-2.9
Holyfield Hall Farm	94.6	91.2	3.4
Myddelton House	95.6	95.4	0.2
Myddelton House Gardens	97.8	97.8	0.0
Youth & Schools	97.7	94.4	3.3
LVRPA Ave.	96.5	95.3	1.2
Dobbs Weir Campsite	86.1	94.3	-8.2
Hayes Hill Farm	83.7	83.7	0.0
LV Athletics Centre	93.9	92.2	1.7
LV Hockey & Tennis Centre	95.6	93.9	1.8
LV Ice Centre	75.6	91.8	-16.1
LV Riding Centre	90.4	93.1	-2.7
LV Velopark	98.9	98.0	0.9
LV White Water Centre	95.7	96.6	-0.9
Picketts Lock Campsite	69.5	82.5	-13.0
Picketts Lock Golf	61.2	68.3	-7.1
Sewardstone Campsite	86.3	93.5	-7.2
Springfield Marina	91.0	86.7	4.3
Stanstead Marina	94.1	94.5	-0.4
Waterworks	76.8	68.5	8.3
Vibrant Partnerships Ave.	85.6	88.4	-2.8
Combined Ave.	88.9	90.5	-1.6

2017-18 Health & Safety Audit Scores



Health & Safety Annual Performance Review

April 2018 to March 2019

Summary of Audit Performance

- Sites that have scored lower than 90% appear to have undergone management restructure over the year which has influenced outcome
- The H&S Team scheduled further support days with LV Ice Centre.

Health and Safety Audit Targets and Results

Company	Target 2018-19	Actual 2017-18
LVRPA & Vibrant	95%	88.9%
LVRPA	95%	96.5%
Vibrant Partnerships	95%	85.6%

Stretch Target for both Organisations proposed at 95% for 2018-19.

Legislation Updates

- Following a number of high profile serious and fatal incidents involving bouncy castles, there has been a series of HSE guidance updates for operators which RDHS have developed into a specific Guidance Note which will be issued to Venues in January
- IET Wiring Regulations
- Brexit
- Legal Advice Privilege (no changes)
- Drone Safety and Regulation.

Aims & Objectives for 2018-19

Seek agreement of the annual health and safety audit targets

- Authority: 95%
- Vibrant: 95%
- Combined: 95%

General Objectives

- Continued review of H&S Resourcing to ensure support is matched with the growth of both LVRPA and Vibrant Partnerships. Further changes may be needed to ensure H&S provision is maintained at the level both organisations have been operating
- Further review of cost efficiencies throughout the Health and Safety Services will be carried out, such as procurement of PPE, Training, Accident Reporting etc.
- Continuation of the HSMS review
- Continuation of the Unannounced E Coli. inspection at the Farms
- Further development of the Event Safety Manual, with further development of the Adverse Weather Contingency Plan with a key focus on Lightning
- Establish, communicate and complete staff health and safety consultation
- Undertake Workplace Inspections
- Event H&S:



Health & Safety Annual Performance Review April 2018 to March 2019

- Music Event – Three Mills
- FIH Hockey Pro League
- INF Canoe Slalom World Cup
- Six Day London – LVVP
- Deliver Safety Leadership team and Safety Coordination Group meetings
- Delivery of the Internal Health & Safety Audit programme
- Review the benefits from the online Accident and Incident Reporting software
- Summer 2019 Beach & Play Park development support.



Lee Valley Regional Park Authority Health & Safety Policy Statement

Issue 14

Statement of Intent

The Lee Valley Regional Park Authority aims to promote the health, safety and welfare of all employees, contractors, volunteers, visitors and members of the public through a commitment to the development of a positive health and safety culture within all premises operated under their management. The Authority is committed to comply with all legal health and safety requirements.

- The Chief Executive Officer has overall accountability for health and safety
- The Director of Finance and Resources has responsibility for the delivery of health and safety

Employer Responsibilities

- Manage and continually develop a Health & Safety Management System (HSMS), which includes defined standards in line with HS(G)65 *Managing for health and safety (3rd Edition)* that outlines the Plan, Do, Check, Act approach
- Establish an effective management structure, with key health and safety responsibilities identified and communicated effectively to staff
- Ensure employees are competent to deliver the health and safety standards
- Provide adequate resources to manage the health and safety standards effectively
- Consult with employees and others (where necessary) on matters affecting their health and safety
- Carry out the relevant risk assessments ensuring that risks are reduced as far as reasonably practicable, and acting on the outcome of the risk assessments where necessary
- Provide a safe and healthy working environment, including employee welfare facilities
- Provide and maintain safe plant, equipment and machinery
- Ensure the safe handling, storage and use of hazardous substances
- Establish standards for incident and emergency management.

Employee Responsibilities

- Take reasonable care of their own safety and the safety of others
- Co-operate with each other so as to enable compliance with any imposed legal duty or requirement
- Not interfere with or misuse, intentionally or recklessly anything provided in the interests of safety
- Comply fully with the organisations health and safety standards
- Report all accidents, incidents, near misses, hazards, dangerous occurrences and damage to plant and / or equipment
- Follow all safe working practices
- Use the necessary protective clothing and equipment provided in the interest of safety.

Review

This policy statement will be reviewed annually and displayed at every all Premises / Departments.

Signatories

Shaun Dawson
Chief Executive

Paul Osborn
Chairman

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LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE

20 JUNE 2019 AT 14:00

Agenda Item No:

7

Report No:

AUD/100/19

ANNUAL GOVERNANCE STATEMENT 2018/19

Presented by the Director of Finance & Resources

SUMMARY

This report sets out the Annual Governance Statement to be included within the Statement of Accounts for 2018/19. The Accounts are currently subject to external audit, which commenced on 3 June 2019.

RECOMMENDATION

Members Approve: (1) the Annual Governance Statement attached at Appendix A to this report to be included within the Accounts, subject to any comments received from Members.

BACKGROUND

- 1 The Accounts and Audit Regulations 2015 require the Authority's Accounts to be signed, certified and published by 31 July 2019.
- 2 The earlier preparation of Accounts means that there will be a special meeting of the Audit Committee on 4 July 2019 to approve the detailed Accounts. It is anticipated that at this meeting the external audit will have been completed and a draft Annual Audit Results Report will also be available for Members consideration – up until 2016/17 this was completed by 30 September.

ANNUAL GOVERNANCE STATEMENT 2018/19

- 3 The Authority has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Good Governance in Local Government*. This statement explains how the Authority has complied with the Code; and also meets the requirements of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015 in ensuring that there is a sound system of internal control and that this Committee approves the Annual Governance Statement.
- 4 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 and for it to be published with the Financial Statements.

5 Assurance derived through the monitoring of processes, including risk management, provides evidence which allows the Authority to form conclusions on the efficiency and effectiveness of operations. 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 published information is accurate and reliable; and
- human, financial and other resources are managed efficiently and effectively.

6 A draft Annual Governance Statement is attached at Appendix A to this report for approval by Members.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

9 There are no financial implications arising directly from the recommendations in this report.

HUMAN RESOURCE IMPLICATIONS

10 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

12 These are dealt with within the Annual Governance Statement detailed in Appendix A to this report.

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PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/95/19	Accounting Policies & Accounts Closedown Timetable 2018/19	14 February 2019
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APPENDIX ATTACHED

Appendix A	Annual Governance Statement 2018/19
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ANNUAL GOVERNANCE STATEMENT 2018/19

Scope of responsibility

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority does not have a duty under the Local Government Act 1999 in the same way that local authorities do to make arrangements to secure continuous improvement when exercising its functions, having regard to a combination of economy, efficiency and effectiveness; but it considers and adopts these elements as a matter of best practice.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.

The Authority has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework for Good Governance in Local Government. This statement explains how the Authority has complied with the Code and also meets the requirements of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

The purpose of the governance framework

The governance framework comprises the systems and processes for the direction and control of the Authority and its activities for which it is accountable to its stakeholders and the wider community.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks likely to impair the achievement of the Authority's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2019 and up to the date of approval of the statement of accounts.

The governance environment

A clear statement of the Authority's purpose and vision is set out in "The Lee Valley Regional Park Authority Business Strategy 2010-2020". The Authority's objectives are set out in the Performance Management Framework. These are translated into more specific aims and objectives in the service improvement plans which are prepared annually. The achievement of these objectives is monitored by the Senior Management Team, the Performance Team, the Executive and Scrutiny committees.

The Authority does not have directly elected Members but Members appointed to the Authority by local councils. Members are responsible for setting policies and priorities and for the efficient and effective use of resources. The behaviour of Authority Members is regulated through a Model Code of Conduct made by statutory instrument, which is adopted and regulated within their own Councils' systems and which is supported by a Members' planning code of good practice within this Authority. At the AGM in July 2018 the Authority also approved (Paper A/4261/18) a Conflict of Interests/Loyalties Protocol which sits as an Appendix to Standing Orders. Employees are also subject to a Code of Conduct and a number of specific policies (e.g. on whistle blowing, IT usage, bullying and harassment) which are set out in the Employee Handbook. Advice on these matters is embedded through on-going training.

The Authority does not have a formal constitution but relies on a traditional local authority committee model. Policy and decision making are facilitated by a clear framework of delegation set out in the Lee Valley Regional Park Act 1966, the Authority's Standing Orders and Financial Regulations. This sets out, among other things, where responsibility lies for developing and delivering policy, and for taking decisions. The Standing Orders and Financial Regulations provide for some delegation to officers but within a policy framework laid down by the Authority, and with the more significant executive decisions being taken by the elected Members of the Executive Committee and the Full Authority.

Compliance with established policies, procedures, laws and regulations is ensured by the requirement in the Standing Orders to give the Chief Executive, the Monitoring Officer and the Chief Finance Officer the opportunity to comment on

every report submitted to a decision making body. The Monitoring Officer has a legal duty to ensure the lawfulness of decision making.

Risk management is embedded in the Authority through a Corporate Risk Management Framework (Paper AUD/90/18) which includes the requirement to identify strategic and operational risks, assess those risks for likelihood and impact, identify mitigating controls and allocate responsibility for those controls. The Authority maintains and reviews a register of its business risks, linking them to strategic business objectives and assigning ownership for each risk. Risk management awareness is an integral part of the Authority's employee/management competency framework. The Director of Finance & Resources leads on matters of risk for the Authority and reports directly to the Audit Committee who receive reports on risk management at each meeting and who take appropriate action to ensure that corporate business risks are up-to-date; being actively managed; and agree the soundness of the Authority's risk management arrangements.

The Authority's programme for securing continuous improvement in its services is set out in the Performance Management Framework. Actions for improvement are drawn from a variety of sources including internal audit; the Authority's own service reviews and, external inspections such as those undertaken by Quest, Green Flag and the British Safety Council. An annual assessment of performance, detailing future performance targets, is set out in the Annual Performance Management Report.

The Director of Finance & Resources is designated as the responsible officer for the administration of the Authority's financial affairs under section 151 of the Local Government Act 1972 and section 11 (1) of the Lee Valley Regional Park Act 1966. This includes ensuring the lawfulness and financial prudence of decision making; providing advice, particularly on financial impropriety, publicity and budget issues; giving financial information; and acting as the Authority's money laundering, whistle blowing and anti-fraud, bribery & corruption reporting officer. Policies relating to whistle blowing anti-fraud, bribery & corruption were approved by Members of the Audit Committee in September 2017 (Paper AUD/81/17) and approved by the full Authority in October 2017 (Paper A/4246/17). This is supported by Authority wide awareness training for all staff and elected Members. These policies are normally reviewed every third year (unless legislation or regulations change) and review of these particular policies was completed in September 2017. The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Authority has a performance management framework through which quality of service is measured through corporate performance indicators which in turn are reported through the Annual Performance Management Report. This is monitored by the Senior Management Team and scrutinised on a six-monthly basis by the Executive Committee and a quarterly basis by the Scrutiny Committee.

Review of effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, recommendations from the Annual Internal Auditor's report, comments and recommendations made by the external auditors and other reviews by independent agencies.

The terms of reference for the Audit Committee requires it to monitor and review the Authority's system(s) of internal financial control and authorise/approve the Annual Governance Statement; it also monitors and reviews the Authority's Health & Safety and risk management policies and programmes.

The Internal Auditor reports to the Authority's Director of Finance & Resources, but in order to ensure independence has direct access to the Chief Executive, Monitoring Officer and the Audit Committee.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control, which is incorporated in the Annual Internal Audit Report to the Audit Committee. The Annual Internal Audit Report for 2018/19, which was presented to the Audit Committee on 20 June 2019 (Paper AUD/XX/19), concluded that, based on the internal audit work undertaken, the Authority's internal control systems are considered to be adequate and effective.

The Audit Committee approved a Risk Management Strategy in May 2010 (Paper AUD/06/10) (in which it was concluded that risk management arrangements are an established part of business operations and are entrusted with senior officers). The Strategic Risk Register has undergone regular monitoring this year. A new Risk Management Strategy was approved by the Audit Committee on 21 June 2018 (Paper AUD/90/18). A full review of the risk register was undertaken in the Spring of 2018 and a new register approved at the Audit Committee in June 2018 (Paper AUD/90/18).

The Audit Committee also ensure a robust management framework for Health & Safety is maintained. Annually all sites are audited by the Health & Safety contractor - with a 90% (plus) approval rating and independent assurance. The work of the Authority is independently assessed by a third party (British Safety Council). The British Safety Council carried out an independent audit in March 2016 and have awarded the Authority a 5* rating (their highest level score) providing further assurance regarding the management of risk for Health & Safety. Health and Safety matters were reported separately to the Audit Committee in the Annual Health & Safety report to the Audit Committee on 20 June 2018 (Paper AUD/102/19).

Senior Managers continue to review the processes and controls they have in place to allow them to achieve their service objectives. Reporting on financial and performance management information to the Executive Committee and the Scrutiny Committee has taken place over the course of the year. Based on the information provided during the year and reviews of data quality, controls can be seen to be satisfactorily in place.

The review of the effectiveness of the system of internal control is informed by:

- The work of managers within the Authority;
- The work of the Internal Auditor;
- The work of the Health & Safety contractor;
- The work of Corporate Risk Management;
- Performance Management Information; and
- The External Auditors in their Annual Audit Results report.

The results of the review of the Authority's system of internal control have concluded that it is satisfactory and effective.

Significant Governance Issues

The Authority has received significant assets as a result of the London 2012 Olympics. The London Legacy Development Corporation completed the legacy transformation works at the Lee Valley VeloPark, and Lee Valley Hockey & Tennis between April 2013 and May 2014. These assets were transferred to the Authority and are recognised in the accounts. These additional asset transfers are valued in excess of £110m, and with that comes a responsibility to manage and operate these as economically and efficiently as possible and in line with the Lottery Funding Agreements with Sport England that the Authority has entered into.

The Authority's existing governance structure was put in place in 2009. It was reviewed in July 2010 and 2015 to ensure management and decision making processes remained robust, relevant and fit for purpose. Members continue to review the committee structures on an annual basis at the AGM – the most recent review in July 2017 (Paper A/4243/17). In support of the Full Authority there are Executive, Audit, Scrutiny and Regeneration and Planning committees covering all areas of the Regional Park. Relevant Member working groups are established annually and cover Park wide strategic initiatives as well as specific major projects and initiatives.

Members agreed to the establishment of an Independent Remuneration Panel (IRP) to carry out a review of the remuneration of the roles of Chairman and Vice Chairman at the Executive Committee in April 2016 (Paper E/443/16). An IRP was convened and an update on progress reported to the AGM in July 2016 with a full report on the IRP recommendations on remuneration for the Chairman and Vice Chairman being reported to the full Authority in October 2016. The IRP recommended that there would be a 1% increase for both remunerations with a further 1% per annum until the current Trust contract expires at which point the remuneration should be reviewed taking into consideration the impact and any changes to the roles from any future contract. The full Authority noted and approved the recommendations from the IRP but deferred the increase in remuneration until 1st July 2017 to coincide with the commencement of the new four year term of office.

The Authority reviewed its own financial reporting requirements in the context of the International Financial Reporting Standards (IFRS) which were embedded as part of the 2010/11 final accounts process. Annually accounting policies, estimates and assumptions are reviewed by the Director of Finance & Resources and approved by the Audit Committee (Paper AUD/95/19), to ensure they are relevant and up-to-date and that they accord with best practice.

The economic climate has, and will continue to impact on the Public Sector purse and particularly the finances of the Authority. The Authority sets the annual budget in the context of a three year business plan and the ten year business strategy. The assumptions behind this forecast are reviewed annually; the medium term financial forecast is restated and then approved by Members. The Authority is conscious of the financial pressures faced by the levied authorities and the spending assessments that impact upon them. The levy will remain at its current level in 2019/20 (0% change) and for the

previous ten years – has achieved a real term decrease in excess of 50%. Officers and Members are committed to providing on-going savings and efficiencies to achieve economy and efficiency through the best use of public funds whilst delivering its own core objectives detailed in the new three year Business Plan 2016 – 2019 and statutory role. Consideration of the levy in future years will be subject to inflation, business risks and other economic factors prevailing at the time. The aspiration is to further reduce the levy above the 24% cash reduction already achieved since 2010/11.

The Authority is continuing a robust plan of income generation and major development projects across the Park to deliver its remit and reduce the reliance on the levy. A fresh business plan is being developed for 2020-25. This plan will set out the key projects and business priorities for this 5 year period along with a financial plan. At the same time the organisational structure is being reviewed to ensure that the capacity and skills are in place to effectively deliver that plan. The key measure has been to ensure that the reliance on the levy fell to 53.0% of the maximum that the Authority could legally charge. This target was achieved in 2013/14 and for 2019/20 it currently stands at 37.6% of the maximum chargeable – a cost per head of population of £0.81p. The Senior Management Team manages a variety of major and smaller projects to develop the Park and its Venues, create efficiencies and generate further income. The proposals from this group are considered by Members of the Executive Committee and full Authority.

In November 2013 (Paper A/4176/13) Members of the Authority agreed to setting up Lee Valley Leisure Trust Limited now trading as Vibrant Partnerships (the Trust), set up as a Co-operative and Community Benefit Society (previously an Industrial and Provident Society) for the purpose of managing the Authority's operations. It also established a Member Task and Finish Work Group to provide oversight and enable detailed discussions on the many aspects of this process. Members explored a variety of operational options including seeking discretionary rate relief for its venues from 'host' Local Authorities while assessing which venues should be included within the scope of a charitable Trust. The Local Authorities were not able to provide a sustainable solution through discretionary rate relief and this option was discounted. In February 2015 (paper A/4201/15), Members approved the Leisure Services Contract commencing on 1 April 2015 between the Lee Valley Regional Park Authority and the Trust. The contract is for a five year period to establish a "sound" operational profile.

The Trust commenced full operation and management of the Venues on the 1 April 2015 and has now completed four successful years of its five year contract. The Authority and the Trust have both formally reviewed the contract as part of the mid-contract review and concluded the Trust has met the requirements and objectives as originally set out (Paper E/541/18). The challenge ahead is for the Trust to continue to deliver the services and improve the quality and financial performance at these venues. The Authority has ongoing monitoring arrangements in place at officer, senior management and Member level to ensure that performance targets are met and that the ethos of continuing improvement is maintained. The Authority is now managing a procurement process to re-let the six main sporting venues at the end of the current contract. For the non-sporting venues the Authority is considering a variety of options that may include a mixed economy approach of a contract and/or leases and/or in-house at the end of the current contract term.

The Authority's approved 2016-2019 business plan ensures it continues to meet existing and new corporate priorities that are emerging and this has fed into the medium term financial planning of the Authority. Having established the operational model for its 14 sport and leisure venues, the Authority will, as part of the new business plan (2020 to 2025), review all service areas with the aim of determining the most cost efficient and effective delivery mechanisms.

Reporting on the Authority's use of Public Funds demonstrates to stakeholders and Council Tax payers how their money is spent. Closing the accounts in a timely manner and receiving an unqualified Audit opinion provide information and evidence to those stakeholders about how the Authority works.

Shaun Dawson
Chief Executive
XX July 2019

Paul Osborn
Chairman
XX July 2019

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 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 (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 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 February 2019 (Paper AUD/97/19).
- 10 Since the February 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	Residual Risks 21 June 2018	Residual Risks 20 September 2018	Residual Risks 14 February 2019	Residual Risks 20 June 2019
	4	4	3	3
	7	7	9	9
	7	7	7	7
Total Risks	18	18	19	19
Notional Score	596	461	495	479

- 12 The key points to note since the last review of the register was considered at Audit Committee are:
- I. Overall total reduction in corporate risk register notional score due to downward score of risks as actions delivered against land sales and the LSC retender.
 - II. The movement in scoring for the LSC Contract Retender (SR9) down from amber score of 40 to 32 (sub-register total score down from 373 to 320) due to the actions already completed during procurement and in relation to decoupling of support services.

Changes to the register are in red font to indicate changes since the last register review.

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 project 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 REPORTS

Lee Valley Regional Park Authority Risk Management Strategy June 2018

PREVIOUS COMMITTEE REPORTS

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

STRATEGIC RISK REGISTER AS AT 20 JUNE 2019

Risk ID	Risk Name	Inherent Risk Score				Existing Controls	Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments	
		Lead	Impact	Likelihood	Total Score		Impact	Likelihood	Total Score	Direction					Tolerance/Transfer/Treat/Eliminate
SR1	Legal Failure to comply with the 1886 Park Act and other statutory requirements.	DCS	8	7	56	<p>Provision of Legal Services Member scrutiny through Authority & Committee meetings</p> <p>Annual Governance statement</p> <p>Park Act Awareness covered by inductions for new staff.</p>	<p>EA -Annual Audit Letter</p> <p>IA Audit Plan</p> <p>SMT Weekly Meeting Minutes</p> <p>M Exec Monthly</p>	6	1	6	<p>Continue Induction Process and monitoring of statutory changes</p>	Quarterly	DCS	Ongoing	Updated Comments 20/06/2019
	Failure to comply with Health & Safety legislation	DFR	9	6	54	<p>Health and Safety management H&S manual (procedures) regularly reviewed by RDHS who monitor up and coming legislation.</p> <p>Policy Updated annually</p> <p>Risk Reduction Plan complete.</p> <p>External H&S Assessment 5th Annual Report to Audit Committee</p>	<p>RD/SMT 1/4ly Reports</p> <p>BSC 3 yr ext review</p> <p>Annual Audits</p> <p>M Year Report</p>	7	2	14	<p>Annual Internal Audit & H&S Audit Plans delivered.</p>	31/03/2020	DFR	Auth score at 96.5% Trust 85.6%. Ensure Trust have support to increase score above 5 th level	Updated Comments 14/02/2019
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	<p>Reports to SMT and Members</p> <p>Financial/Legal/Risk Implications fully appraised.</p> <p>Appraisal of schemes in accordance with prudential code.</p>	<p>M Exec Monthly</p> <p>LA agreement</p>	8	2	16	<p>Ongoing resources review for specific projects</p>	Quarterly	DCS/ DFR	Ongoing	Ongoing
	Contractors, Governing Bodies, or Trust not delivering agreed objectives/contract	DFR	7	6	42	<p>All contracts reviewed prior to commencement by a responsible officer. Delivery monitored by Director/Head of Service and performance monitoring team</p> <p>Quarterly Performance Reports to Executive & Scrutiny Committees</p>	<p>M Exec Monthly</p> <p>M Scrutiny 1/4ly</p>	6	2	12	<p>Quarterly Contract monitoring.</p>	Executive Quarterly Monitoring	HSL	Contracts working well with few issues. The Trusts performance re the LSC is detailed within the February Members paper.	Contracts working well with few issues. The Trusts performance re the LSC is detailed within the June Exec Members paper.
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36	<p>Advice and support APMD plus external contractors.</p> <p>Contractors employed for maintenance through procurement (Price Quality ratio applied)</p>	<p>APMD Annual Inspections</p>	7	3	21	<p>Ongoing Monitoring</p>	Annual Inspections & Review. MPG Work complete by 31.12.19	APMD	Annual Inspections ongoing - updated MPG paperwork in progress	Annual inspections ongoing - weakness in MPG paperwork being addressed

STRATEGIC RISK REGISTER AS AT 20 JUNE 2019

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers Responsible	Updated Comments	
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Tolerate/Transfer/Treat/Terminate (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	8	3	24	↑	Treat	31/03/2020	DFR	Updated Comments 20/06/2019	
					<p>Existing Controls</p> <p>Reports to Members Financial/Legal/Risk Implications fully appraised. Appraisal of schemes in accordance with prudential code. Existing IT Infrastructure budget £100K pa</p>			<p>Total Score</p>					<p>Payroll review underway. New Usage counters in place. Systems decoupling in progress</p>	
	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	Updated Comments 14/02/2019	
					<p>Existing Controls</p> <p>Reward & Recognition Training & development framework Management Away Days Staff presentations Internal/External communications Up to date staff handbook to date policies</p>			<p>Total Score</p>					<p>Support Services Decoupling complete</p> <p>Support Services Decoupling in progress</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	7	2	14	↑	Treat	24/01/2020	DFR	Updated Comments 23/06/2019	
					<p>Existing Controls</p> <p>Budget monitoring reports Authority/Trust monitoring Meetings Joint Chairs Meeting Budget Review 2017/18 complete Medium Term Financial Plan £4m Minimum Reserves Policy Statutory Power to Levy</p>			<p>Total Score</p>					<p>2019/20 budget complete. Revenue & Capital Outturn reported to Executive 23/06/2019</p> <p>Quarter 3 Revenue & Capital Monitoring to Executive 14/02/2019</p>	
SR5	Governance & Leadership Lack of a clear corporate direction	CEO	9	9	81	9	3	27	↑	Tolerate	30/09/2019	CEO	Updated Comments 14/02/2019	
					<p>Existing Controls</p> <p>Authority meetings SMT Business Plan 2016-19 to 2020 MTFP Levy Strategy Property Strategy Vision 2010-2020 Land & Vision 2010-2020</p>			<p>Total Score</p>						<p>New business plan prepared for 2020-2025 ahead of the budget round in the Autumn.</p> <p>New 2020-2030 to be developed over Spring & Summer.</p>
	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	Updated Comments 14/02/2019	
					<p>Existing Controls</p> <p>Stakeholder engagement Clear Budget/Levy Direction Funded Financial Plan Statutory Levy Raising Powers Monitoring of Legislation</p>			<p>Total Score</p>					<p>Ongoing</p> <p>Ongoing</p>	

STRATEGIC RISK REGISTER AS AT 20 JUNE 2019

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 20/06/2019	Updated Comments 14/02/2019				
		Lead	Impact	Likelihood	Total Score	Lead	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		6	3	18		Treat	Regular client meetings	Quarterly Monitoring Report	HC	Continued engagement with stakeholders - (including major event invitations to share updates/information, working with Trust to ensure we're on brand, proactive campaigns to raise profile and drive visits.	Continued engagement with stakeholders (including major events), media relations and joint promotional work with 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		Treat/Transfer	Audit Recommendations Implemented Further training and testing. Trust Risk Register - alignment re risk and continuity	Quarterly Monitoring	HSL	As per Feb 19 paper with the Trust having updated their new management structure and comms processes.	As per September plus the Trust have responded to written concern with their new management structure and comms processes.					

STRATEGIC RISK REGISTER AS AT 20 JUNE 2019

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	Existing Controls	Source of Assurance	Impact	Likelihood					Total Score	Updated Comments	
	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	<p>Existing Controls</p> <p>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.</p>	<p>Source of Assurance</p> <p>EA Ext Audit IA Int Audit SMT Sr Mgmt Team RD H&S M Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult</p>	7	2	14	<p>Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)</p>	Ongoing monitoring	Ongoing monitoring plus analysis when land sold/purchased or developed	DCS	Ongoing monitoring in line with Land Contamination Strategy & Policy	
						<p>Total Score</p> <p>81</p>	<p>Existing Controls</p> <p>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.</p>	<p>Source of Assurance</p> <p>EA Ext Audit IA Int Audit SMT Sr Mgmt Team RD H&S M Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult</p>	7	2	14	<p>Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)</p>	Ongoing monitoring	Ongoing monitoring plus analysis when land sold/purchased or developed	DCS	Ongoing monitoring in line with Land Contamination Strategy & Policy
						<p>Total Score</p> <p>14</p>	<p>Existing Controls</p> <p>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.</p>	<p>Source of Assurance</p> <p>EA Ext Audit IA Int Audit SMT Sr Mgmt Team RD H&S M Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult</p>	7	2	14	<p>Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)</p>	Ongoing monitoring	Ongoing monitoring plus analysis when land sold/purchased or developed	DCS	Ongoing monitoring in line with Land Contamination Strategy & Policy
						<p>Total Score</p> <p>81</p>	<p>Existing Controls</p> <p>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.</p>	<p>Source of Assurance</p> <p>EA Ext Audit IA Int Audit SMT Sr Mgmt Team RD H&S M Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult</p>	7	2	14	<p>Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)</p>	Ongoing monitoring	Ongoing monitoring plus analysis when land sold/purchased or developed	DCS	Ongoing monitoring in line with Land Contamination Strategy & Policy

STRATEGIC RISK REGISTER AS AT 20 JUNE 2019

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 20/06/2019	Updated Comments 14/02/2019	
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score						
SR0	Major Business Developments Ice Centre Failure in Strategic Risks 1-3 above in the development of the Ice Centre circa £30m project and Legal Challenge	CEO	9	8	72	9	7	63	 Total Score Likelihood Impact	 (If Treat, further actions needed)	Planning Approval Business Plan Design Team Engagement stakeholders, users and local community	08/10/2020	HSL	£1.75m allocated to deliver design, planning and tender process for construction. £130k allocated for ice related equipment to maintain continuity of service.	Design work progressing well & discussions with WF re formal pre applications. Members consider the next stage in April.
	Picketts Lock Development Failure in Strategic Risks 1-3 above in the development of the Picketts Lock circa £40m project and Legal Challenge	CEO	8	8	64	8	7	56	 Total Score Likelihood Impact	 Treat	Planning Approval Business Plan Design Team Engagement stakeholders, users and local community	31/03/2019	DCS	Some site investigations have been undertaken and details of the results are awaited. Further site investigation will be undertaken later this year.	Public announcement of the WAVE in November 2018. Site investigations progressing.
	Leisure Services Contract Retender Failure in Strategic Risks 1-3 above in the retender of the Leisure Services Contract circa £20m and potential Legal Challenge	CEO	9	5	45	8	4	32	 Total Score Likelihood Impact	 Treat	Tender Evaluation Award of Contract	31/09/2019	CEO	Evaluation of submitted tenders June/July	See new project specific sub Register. Contractors open day completed. ITT stage due to start at the end of March 2019.

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Total Score	Tolerate/Transfer/Treat/Emit (if Treat further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers Responsible	Updated Comments 20/06/2019	Updated Comments 14/02/2019
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score							
SR10	Implications of Implementing Land & Property Strategy Purchases- Opportunity Cost of Resources, Reducing Available Resources or increasing future liabilities	DCS	8	6	48	Legal Advice -Park Act Park Act L&P Strategy Land Contamination Strategy Medium Term Financial Plan & Property Working Group	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	8	4	32	Treat	Seek External Advice incl. Planning Context. Identify Resources Members Decision. Ongoing Monitoring. Consultation	31/03/2020	HoP	On-going as opportunities arise. Recent offer made for a potential purchase of a property was rejected and vendor has accepted a higher offer.	Considering any areas of land identified by the Land & Property Working Group that are offered for purchase. Reporting to Executive as matters progress
		DCS	8	7	56	Legal Advice -Park Act Park Act L&P Strategy Term Financial Plan Property Working Group	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	8	6	48	Treat	Seek External Advice incl. Planning Context. Members Decision. Consultation	31/03/2020	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	Legal Advice Medium Term Financial Plan General/Capital Reserves Treasury Management Policy Annual Investment Strategy Prudential Code to Levy Land & Property Member Group Annual/Triennial pension valuations	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	7	6	42	Treat	Monitor: Land Sales Interest rates Third Party investors/ stakeholders Legal framework Pension valuations	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 45-61 High Risk
Score 18-42 Moderate risk



Progress in a positive direction ie reducing the risk
Progress is negative and risk is getting worse.

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LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 20 JUNE 2019

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	Officers Responsible	Comments 20/06/2019	Comments 14/02/2019
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score									
SR1	Legal Failure to comply with Public Procurement Regulations	DCS	7	9	63	DCS	5	1	5	5	5	Tolerate	Continue to receive external consultancy advice and report to Members	Monthly	HSL	Tender submissions received 10 June. Evaluation June/July	OJEU notice published 03/12/18. Ongoing support of Audit and external consultants.	
	Process delayed by legal challenge before November 1st 2019	DCS	7	8	56	DCS	6	7	42	6	7	Treat	On going monitoring and assessment of procurement at Officer & Member commissioning groups. Report on outcome of tendering process	Weekly	HSL	Ongoing	Ongoing	
SR2	Contractual New contractual arrangements not in place by 1 April 2020	DCS	7	8	56	DCS	7	5	35	7	5	Treat	Ongoing resources review for contracts Work plan priority	Weekly	DCS	LSC officer project management group plus agreed timetable. Plus tasklist	LSC officer project management group plus agreed timetable	
	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	DFR	6	4	24	6	4	Treat	Quarterly Contract monitoring. Contractor Service Plan for 2019/20 Agreed	Executive Quarterly Monitoring	DFR	Q4 LSC monitoring report to Executive 20/06/19	Q3 LSC monitoring Report 14/02/19	

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 20 JUNE 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 20/06/2019	Comments 14/02/2019
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Treat (If Treat, further actions needed)					
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36	9	3	27	 Existing Controls Advice and support APMD plus Quality external contractors. Contractors employed for maintenance through procurement (Price Quality ratio applied). Performance department regular inspections carried out	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	Capital budget approved to increase investment for next two years.
SR 3	Resources Inadequate I.T. Infrastructure/ Systems/Data for new LSC.	DFR	7	5	35	7	5	35	 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	Review for Procurement process Review for new Contract post 2020	31/03/2020	DFR	Systems and licences decoupling underway. Payroll review requirements. Current system running on legacy server.	IT service decoupled - staff returned to Authority
	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	 Approved Process Authority Secondments resolved TUPE agreements Initial staff transfers confirmed Staff re-induction to LVRPA Internal/External communications	Support Services Review implemented for the time between Nov 2018 to Oct 2019 then post April 1st 2020	31/10/2019	DFR	Decoupling predominantly complete. Support Services in place.	Decoupling in progress and staff returning to Authority on phased approach.
SR 4	Financial Management Financial Risks of contractor failure and Authority to assume control of venues	DFR	9	6	54	9	4	36	 Authority monitoring Meetings Joint Board Meetings £4m Minimum Reserves Policy Statutory Power to Levy	Budget Review & MTFP Explore the setting up of skeleton trust	31/09/2019	DCS	Planned Summer/Autumn action.	Requirement to set up skeleton Trust to manage risk.

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 20 JUNE 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	Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Treat, Transfer/Treat/Terminate (if Treat, further actions needed)					
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	4	28	 	Treat	30/11/2019	CEO	Tender evaluation June/July	Tender Specification sets out clear guidelines. Support advice from auditors
SR6	Reputation/Communication Relendering 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	HSL	7	7	49	5	3	15	 	Tolerate	31/05/2019	HSL	Predominantly complete.	OJEU notice published. Contractor open days. Clarification questions answered. On-line portal for monitoring
SR7	Business Continuity Inadequate business continuity implementation during procurement phase and during mobilisation of new contract.	CEO	7	7	49	7	5	35	 	Treat	Quarterly Monitoring	HSL	Trust provided assurances between now and the end of the current Ongoing monitoring continues plus quarterly reports to Executive.	Authority has written to Trust to obtain the assurances required 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 20 JUNE 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 20/06/2019	Comments 14/02/2019
		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	8	4	32	31/10/2019	CEO	Comments set out above. Tender Exercise still on target	Comments set out above. Tender Exercise on target
	Leisure Services Contract Retender Failure to appoint contractor for new Leisure Service Contract.	CEO	8	3	24	8	3	24	30/11/2019	CEO	Two submissions received and subject to evaluation should allow one to be appointed as preferred contractor.	Ongoing

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320

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



LEE VALLEY REGIONAL PARK AUTHORITY
AUDIT COMMITTEE
20 JUNE 2019 AT 14:00

Agenda Item No:

9

Report No:

AUD/99/19

ANNUAL EXTERNAL AUDIT FEE 2019/20

Presented by the Director of Finance & Resources

SUMMARY

This report sets out the Annual External Audit fee to be charged for 2019/20, as determined by Public Sector Audit Appointments for opted-in bodies.

Attached at Appendix A to this report is the formal letter from Ernst & Young our appointed Auditors who will undertake their work under the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office on behalf of the Comptroller and Auditor General, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditor's work.

RECOMMENDATION

Members Approve: (1) paying the annual fee of £14,336 for 2019/20.

BACKGROUND

- 1 Public Sector Audit Appointments (PSAA) has set the 2019/20 fee scale on the basis that individual scale audit fees for all opted-in bodies are maintained at the same level as 2018/19 unless there are specific circumstances which require otherwise.
- 2 This continues to give opted-in bodies the benefit of the cost savings achieved in the audit procurement and continues the practice of averaging firms' costs so that all bodies benefit from the same proportionate savings, irrespective of the firm appointed to a particular audited body. It also passes on the benefit of economies which PSAA has made in its own operating costs.
- 3 Ernst & Young's letter attached at Appendix A to this report sets out the fee, what it covers and the assumptions that lie behind it. Risks of incurring additional fees may arise if the areas set out in their letter are not achieved.

ENVIRONMENTAL IMPLICATIONS

- 4 There are no environmental implications arising directly from the

recommendations in this report.

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 6 The fee of £14,336 is covered by the current budget allocation of £14,400.

HUMAN RESOURCE IMPLICATIONS

- 7 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 9 These are set out in the attached letter. Officers believe our risk management processes and the resources allocated to deliver the financial reporting requirements are sufficient to mitigate against these risks.

Author: Simon Sheldon, 01992 709859, ssheldon@leevalleypark.org.uk

APPENDIX ATTACHED

Appendix A Ernst & Young's Audit Fee Letter 2019/20

LIST OF ABBREVIATIONS

PSAA	Public Sector Audit Appointments
CIPFA	Chartered Institute of Public Finance & Accountancy
LASAAC	Local Authority (Scotland) Accounts Advisory Committee



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Mr. Shaun Dawson
Chief Executive
Lee Valley Regional Park Authority
Myddleton House,
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EN2 9HG

30 April 2019

Ref: Fee Letter/19-20

Direct line: 01223 394459

Email: NHarris2@uk.ey.com

Dear Shaun

Annual Audit 2019/20

We are writing to confirm the audit that we propose to undertake for the 2019/20 financial year at Lee Valley Regional Park Authority.

The Secretary of State for Housing, Communities and Local Government has specified Public Sector Audit Appointments (PSAA) as an appointing person under provisions of the Local Audit and Accountability Act 2014. PSAA has appointed auditors for bodies that opted into the national scheme. Appointments were made for the duration of the five-year appointing period, covering the audits of the accounts for 2018/19 to 2022/23.

Indicative audit fee

For the 2019/20 financial year, PSAA has set the scale fee for each opted in body. Following consultation on its Work Programme and Scale of Fees, PSAA has maintained scale audit fees at the same level as for 2018/19, unless there are specific circumstances which require otherwise.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements;
- Value for money conclusion; and
- Whole of Government accounts

Our final fee will include the impact of additional risks and/or circumstances that are out of the scope of the scale fee, for example:

- Additional work performed on asset valuations, including the involvement of our valuation specialists;
- Additional work performed on the valuation of the net pension liability, including the involvement of our pension specialists; and
- Additional work arising from the implementation of IFRS 16 Leases.
- Any additional work on the Leisure Service procurement decision.



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At this stage, the indicative fee is set at the scale fee.

This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different to that of the prior year;
- Officers meet the agreed timetable of deliverables;
- Our accounts opinion and value for money conclusion are unqualified;
- Appropriate quality of documentation is provided by officers;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2018/19, our audit planning process for 2019/20 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Summary of fees

	Indicative fee 2019/20 £	Planned fee 2018/19 £	Actual fee 2017/18 £
Scale Fee	14,336	14,336	18,619
*Likely SFV for the risks on valuation and VFM significant risks (ref 18/19 Audit Plan)	tbc	* SFV	0
Total Code audit fee	14,336	14,336	18,619

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance. All variations to the scale fee will be subject to PSAA approval.

Billing

The scale fee will be billed in 4 quarterly instalments of £3,584.


Audit plan

Our plan is expected to be issued in January 2020. This will communicate any significant financial statement and value for money risks identified, planned audit procedures to respond to those risks and the estimated fee implications of these additional procedures. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Finance and Resources and communicate the revised fee and the matters giving rise to any adjustments to the scale fee in our Audit Results Report which we will present to the Audit Committee.

For a high level overview of our approach and further information on how we intend to work with you under the PSAA contract, please refer to our leaflet 'EY working with you' which is enclosed.

We remain committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me, or Janet Dawson as our Government and Public Sector Assurance Leader at jdawson1@uk.ey.com. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, by writing to him at 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Neil Harris
Associate Partner
For and on behalf of Ernst & Young LLP

cc. Simon Sheldon, Director of Finance and Resources
Frances Button, Chair of Audit Committee.

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