

To: Linda Haysey Chairman)
Malcolm Cowan
Ross Houston
Gerry Lyons

John Knapman
Graham McAndrew
Vacancy

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

THURSDAY, 22 SEPTEMBER 2016 AT 13:30

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 16 June 2016 (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 **EXTERNAL AUDITORS' AUDIT RESULTS REPORT
- 2015/16 ACCOUNTS**

Paper AUD/73/16

Presented by Simon Sheldon, Director of Finance
& Resources

6 RISK REGISTER 2016/17

Paper AUD/72/16

Presented by Simon Sheldon, Director of Finance
& Resources

7 INTERNAL AUDIT AND ANTI-FRAUD FRAMEWORK

To consider a letter from London Borough of Croydon
regarding continuation of the framework (copy herewith)

8 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.

9 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.)

14 September 2016

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

**AUDIT COMMITTEE MINUTES
16 JUNE 2016**

Members Present: David Andrews (Chairman) Mari Stevenson (Deputy for Linda Haysey)
Gerry Lyons

Apologies Received From: Linda Haysey, Ross Houston, John Knapman, Malcolm Cowan

Officers Present: Shaun Dawson - Chief Executive
Simon Sheldon - Director of Finance & Resources
Beryl Foster - Director of Corporate Services
Lindsey Johnson - Committee Services Officer

Also Present: Joe Ryan - RDH&S
Kevin Le Roux and Miyako Graham - Mazars
Debbie Hanson and Stephen Bladen - Ernst & Young

Part I

96 DECLARATIONS OF INTEREST

There were no declarations of interest.

97 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 25 February 2016 be approved and signed.

98 PUBLIC SPEAKING

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

99 ANNUAL REPORT ON HEALTH & SAFETY 2015/16 Paper AUD/68/16
& AUDIT PLAN 2016/17

The Director of Finance & Resources introduced the report, highlighting how the Authority has retained its 5* rating by the British Safety Council; increased its corporate average score from 93% to 96% on all Health & Safety Audits; and only 0.018% of the 6.6 million visits resulted in an incident or accident.

Joe Ryan from RDH&S introduced the annual report for RDH&S for 2016/17.

A Member pointed out that accident and incident statistics showed that contractors had fewer accidents or incidents, and suggested that it might be helpful to show how many hours each group was working to reflect that we have much fewer contractors working compared to staff.

A Member noted that there was a large claims settlement. Joe Ryan responded stating that this was settled out of court for a person who suffered head injuries on the Lee Valley White Water Course. A full investigation found that nothing could have been done to prevent this accident.

AUDIT COMMITTEE MINUTES 16 JUNE 2016

A Member raised concerns over the relatively low occupancy rates of training courses. Joe Ryan responded stating that staff had all been trained and only need to renew their training once every 3 years, so often only a few members of staff will require training at any one time. Members agreed it would be useful to have this information in the report.

Joe Ryan informed Members that there is now a management plan in place at Picketts Lock Golf Course to ensure there was no risk of legionella.

- (1) the annual report of RDH&S for 2015/16 detailed in Appendix A to Paper AUD/68/16 was noted;**
- (2) the aims and objectives for 2016/17 set out in Appendix A to Paper AUD/68/16 (the annual report of RDH&S for 2015/16); and**
- (3) the signing of this years' Health & Safety Policy attached as Appendix C to Paper AUD/68/16 was approved.**

100 ANNUAL REPORT ON THE WORK OF INTERNAL AUDIT 2015/16 AND AUDIT PLAN 2016/17

Paper AUD/69/16

The Director of Finance & Business Resources introduced the report, highlighting the fact that our Internal Auditors are giving substantial assurance in all areas with the exception of Dobbs Weir which receives limited assurance.

Kevin Le Roux of Mazars introduced the annual report of the Internal Auditors for 2015/16, informing Members that the reason why Dobbs Weir is only receiving limited assurance is because of its income administration during the implementation of Phase 2 which is now complete. Authority officers were aware there were gaps and requested it be audited. Mazars are now in the process of putting plans in place.

- (1) the annual report of the Internal Auditors for 2015/16 detailed in Appendix A to Paper AUD/69/15 was noted; and**
- (2) the annual Audit Plan for 2016/17 as detailed in Appendix B to Paper AUD/69/16 was approved.**

101 EXTERNAL AUDIT 2015/16 – AUDIT PLAN

Paper AUD/67/16

The Director of Finance & Resources introduced the report.

Debbie Hanson of Ernst & Young introduced the External Auditors' Audit Plan for 2015/16, informing Members that the financial statement risks included risk of fraud in revenue recognition; risk of management override; valuation of property, plant & equipment, biological equipment and investment property; and group accounting standards. Members were also informed that they had not identified any risks which they view as relevant to their value for money conclusion.

- (1) the External Auditors' Audit Plan for 2015/16 attached at Appendix A to Paper AUD/67/16; and**

**AUDIT COMMITTEE MINUTES
16 JUNE 2016**

- (2) the proposed annual audit fee for 2015/16 as set out in page 12 of Appendix A to Paper AUD/67/16 was noted.

102 RISK REGISTER 2016/17

Paper AUD/70/16

The Director of Finance & Resources introduced the report.

- (1) the Authority's Strategic Risk Register (incorporating any agreed changed recommended at this Committee meeting) attached at Appendix B to Paper AUD/70/16 was approved.

103 DRAFT UNAUDITED FINAL ACCOUNTS 2015/16

Paper AUD/71/16

The Director of Finance & Resources introduced the report.

- (1) the draft Annual Governance Statement (attached at Appendix A to Paper AUD/71/16), to be included within the Accounts, subject to any comments received from Members and the Auditors;
- (2) that any Member comments/amendments/changes received by 29 June 2016 can be considered and approved by the Director of Finance & Resources in consultation with the Chairman of the Audit Committee and incorporated into the final Draft Accounts presented for external audit was approved; and
- (3) that the unaudited Statement of Accounts for 2015/16 summarised in this report (and attached as Appendix B to Paper AUD/71/16) will be signed off by the Director of Finance & Resources by 30 June 2016, subject to any comments/amendments/changes received by 29 June 2016 from Members was noted.

Chairman

Date

The meeting started at 10.30am and ended at 11.40am.

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LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE

22 SEPTEMBER 2016 AT 13:30

Agenda Item No:

5

Report No:

AUD/73/16

**EXTERNAL AUDITORS' AUDIT RESULTS REPORT –
2015/16 ACCOUNTS**

Presented by the Director of Finance & Resources

SUMMARY

In June Members of the Audit Committee received a full report on the un-audited accounts (Paper AUD/71/16). This paper presents the external auditors' report to Members (the Audit Results Report) following conclusion of the 2015/16 audit of the Authority's Financial Accounts.

The Audit Results Report will be tabled as Appendix A to this report. Subject to the satisfactory resolution of any outstanding issues, the auditors intend giving an unqualified opinion. Debbie Hanson, Director, and Stephen Bladen, Manager, will be at the meeting to present their report and answer questions as required.

Members will be aware that Ernst & Young were appointed as the Authority's external auditors for five years from 2012/13.

RECOMMENDATIONS

Members Note: (1) the External Auditors' Audit Results Report for the Authority's 2015/16 Financial Accounts; and

Members Approve: (2) delegated authority to the Chair of the Audit Committee to approve any final amendments and to sign-off the 2015/16 Annual Accounts and the Letter of Representation.

BACKGROUND

- 1 The role of the external auditor is to provide an independent assessment of how the Authority is discharging its responsibility for the stewardship of public money, an audit opinion upon the Authority's financial statements as well as giving a view on proper arrangements within the Authority for securing economy, efficiency and effectiveness in the use of resources. The auditors' conclusions are reported in their Audit Results Report (ARR) which summarises their work and recommendations.

AUDIT RESULTS REPORT 2015/16

- 2 The draft ARR for 2015/16 will be tabled as Appendix A to this report as the Audit only recently commenced on 12 September 2016. The auditors will take Members through their report. Subject to the satisfactory resolution of any outstanding issues, the auditors intend to give an unqualified opinion on the financial statements and conclude that appropriate arrangements are in place in relation to the value for money conclusion. Members are requested to delegate authority to the Chair of Audit Committee to approve any final amendments to ensure the statutory reporting requirements by the 30 September 2016 are achieved.
- 3 The objectives of the audit are structured around three main elements as set out below:
 - (i) the audit of financial statements 2015/16;
 - (ii) reporting on an exception basis on the Annual Governance Statement (AGS); and
 - (iii) reporting matters in relation to corporate performance and financial management arrangements for securing economy, efficiency and effectiveness in the use of resources (the Value for Money conclusion).
- 4 The comments made by the Auditor should be viewed in the context of the whole internal control framework. The Authority has robust systems of control verified by Mazar's (the Authority's internal auditors) who review the Authority's core systems. In all cases a full/substantial assurance was reported to Members in June this year (paper AUD/69/16) for the core systems.
- 5 Further assurance is derived from the External Auditor who has carried out full substantive testing to address the risks identified in the Audit Plan and they have gained the required assurance to mitigate against a material misstatement in the Authority's financial statements.
- 6 Currently there are no matters to report.

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 If Members accept the ARR then the Director of Finance & Resources and the Chair of the Audit Committee will be required to sign off the accounts and the Letter of Representation.
- 10 A full set of accounts will be published on the Authority's website when the Audit Director issues her formal opinion and the accounts are signed off.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

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BACKGROUND REPORTS

Final Accounts Working Files

June 2016

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/71/16	Unaudited Accounts 2015/16	16 June 2016
Audit Committee	AUD/69/16	Annual Report on the Work of Internal Audit 2015/16& Audit Plan 2016/17	16 June 2016
Audit Committee	AUD/67/16	External Audit 2015/16 – Audit Plan	16 June 2016

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RISK REGISTER 2016/17

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.

Following input from Members at the last Audit Committee the Register has been updated for use going forward.

RECOMMENDATION

Members Approve: (1) the Authority's Strategic Risk Register (incorporating any agreed changes recommended at this Committee meeting) attached as Appendix B to this report.

BACKGROUND

- 1 Risk management is one of the key internal controls for an organisation. Members need to ensure that a sound system of internal control is maintained and an annual review of the effectiveness of the system of internal control is conducted to provide sufficient, relevant and reliable assurance to enable them to authorise the signing of the Authority's annual governance statement (which is published with the financial statements).
- 2 Regulation 3 of the Accounts and Audit Regulations 2015 requires that:
"A relevant authority must ensure that it has a sound system of internal control which -
(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
(b) ensures that the financial and operational management of the authority is effective; and
(c) includes effective arrangements for the management of risk."




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

- 3 Each financial year the relevant authority must –
 - (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) prepare an annual governance statement - This statement must be published together with the statement of accounts and the narrative statement in accordance with Regulation 10.
- 4 Assurance of the Authority's internal control system is derived through the work of the internal audit function (undertaken by Mazars for the Authority); and also through the monitoring of processes put in place by management and other external bodies including those around risk management and health & safety. This provides evidence which allows the Authority to form conclusions on the adequacy and effectiveness of the systems of internal control and also on the efficiency of operations.
- 5 Risk management is not solely a focus on the finances of the Authority. The scope of internal control spans the whole range of the Authority's activities and includes those controls designed to ensure:
 - the Authority's policies are put into practice;
 - the organisation's values are met;
 - laws and regulations are complied with;
 - required processes are adhered to;
 - financial statements and other published information are accurate and reliable; and
 - human, financial and other resources are managed efficiently and effectively.
- 6 The Authority approved a Risk Management Framework in April 2005 (Paper A/3798/05). The Risk Management Framework, and more specifically, the Risk Register, was developed by Members and senior officers under the guidance of the internal auditors through a number of workshops and meetings. Members have regularly reviewed the Register at each Audit Committee, adding in their own comments and improvements.
- 7 Since this time Members have consistently (and in depth) reviewed the Corporate Risk Register and revised the strategy, format, and content. The strategy has been revised and updated twice since 2005 at the Audit Committee (20 May 2010, Paper AUD/06/10 and 28 June 2012 Paper AUD/30/12).

REVIEW OF THE STRATEGIC RISK REGISTER

- 8 The current Strategic Risk Register is reviewed by officers and Members on an on-going basis. At the meeting in September 2015 (Paper AUD/63/15) Members agreed the corporate Risk Register recognising that many of the previously identified risks had been satisfactorily addressed.
- 9 Members also requested on an ongoing basis that:
 - residual risk scores needed reassessing to ensure that we were not overstating the current position and to indicate the overall direction of travel.

Since the February and June meetings (Paper AUD/66/16 and AUD/70/16) officers have reviewed the scoring against the criteria set out in detail at Appendix A to this report. The table below sets out a comparison of the movement in reducing the residual risk over time and the attached total notional score.

Risk	Inherent Risks	Notional Residual Risks 25 February 2016	Notional Residual Risks 16 June 2016	Notional Residual Risks 22 September 2016
	8	0	0	1
	14	10	9	9
	0	12	13	13
Total Risks	22	22	22	23
Notional Score	1056	422	389	424

There were no further changes requested.

- 10 Development of a new Ice Centre has been identified by officers as a new corporate risk on the Register. Inclusion of this risk could be considered as falling within the 8 main strategic risks already identified within the Register. However in line with the previous risk-management of the Olympic build and Olympic legacy, the potential scale of investment (£30m) and scale of change, leads officers to recommend that this project is identified separately on the Register.

There is currently a Member led working group that has reported to the full Authority (Paper A/4228/16). Authority has approved the preferred site and set aside specific resources to deal with the next phases of the project involving design work and preparing a capital funding model. Members of this Committee will want to ensure the legal, financial, reputational, contractual, environmental, business continuity, planning and project management risks are monitored as part of the organisation's required governance.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 13 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.
- 14 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

- 15 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

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

RISK MANAGEMENT IMPLICATIONS

- 17 These are dealt with through the main body of the report and through the revised Register. The Ice Centre project is now perceived as potentially the highest corporate risk faced by the organisation. The other potential high risk areas identified (now amber) within the corporate Register relate to business continuity and resourcing risks. Continuing mitigation against these identified risks is demonstrated by the proposed actions in the strategic Register, attached as Appendix B to this report, and primarily through implementing and delivering the 2016-19 approved Business Plan.

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BACKGROUND REPORTS

Lee Valley Regional Park Authority Risk Management Strategy June 2012

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/06/10	Risk Register 2009/10	20 May 2010
Audit Committee	AUD/17/11	Risk Register 2010/11	02 March 2011
Audit Committee	AUD/21/11	Risk Register 2011/12	02 June 2011
Audit Committee	AUD/23/11	Risk Register 2011/12	22 September 2011
Audit Committee	AUD/26/12	Risk Register 2011/12	23 February 2012
Audit Committee	AUD/30/12	Risk Register 2012/13	28 June 2012
Audit Committee	AUD/34/12	Risk Register 2012/13	20 September 2012
Audit Committee	AUD/38/13	Risk Register 2012/13	28 February 2013
Audit Committee	AUD/40/13	Risk Register 2013/14	20 June 2014
Audit Committee	AUD/44/13	Risk Register 2013/14	26 September 2014
Audit Committee	AUD/46/14	Risk Register 2013/14	27 February 2014
Audit Committee	AUD/50/14	Risk Register 2014/15	19 June 2014
Audit Committee	AUD/54/14	Risk Register 2014/15	25 September 2014
Audit Committee	AUD/57/15	Risk Register 2014/15	26 February 2015
Audit Committee	AUD/59/15	Risk Register 2015/16	25 June 2015
Audit Committee	AUD/63/15	Risk Register 2015/16	24 September 2015
Audit Committee	AUD/66/16	Risk Register 2015/16	25 February 2016
Audit Committee	AUD/70/16	Risk Register 2016/17	16 June 2016
Authority	A/4228/16	Outcome of the Ice Centre Feasibility	16 June 2016

Exercise and
Proposed Next Steps

APPENDICES ATTACHED

Appendix A	Risk Register Definitions and Scoring Criteria
Appendix B	Corporate Risk Register – Authority

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Definitions

The following key terms are used within the Risk Register:

Risk = an event or action which may adversely (or positively e.g. the winning or losing of contracts) affect the Trust's ability to maximise stakeholder value and to achieve its objectives, or limit its ability to exploit opportunities.

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

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

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

Likelihood = the estimated chance of a risk being realised.

Impact = the potential consequences if a risk is realised.

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

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

Dealing with the risk = treating, transferring, terminating or tolerating.

Treat Controls are put in place to help reduce the likelihood of a risk being realised.

Transfer Action is taken to transfer the potential impact to another party, e.g. through an insurance arrangement.

Terminate A decision is made to end the area of activity with which the activity is associated.

Tolerate A decision is made to accept the current level of exposure without taking any further action.

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

Deadline for Completion of Actions = final date when action should be completed by.

Officer Responsible = a senior officer responsible for managing the risk indicated by their post title e.g., CEO (Chief Executive Officer), DCS (Director of Corporate Services), DFR (Director of Finance & Resources), HP (Head of Parklands), HC (Head of Communications), HSL (Head of Sport & Leisure) and AMPD (Section Manager Asset Management, Protection & Development).

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

Comments = Officer comments updating against progress against the action and the deadline.

Risk Appetite and Scoring Criteria

Risks are 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								

Each risk is scored on the basis of the following criteria for impact and likelihood, both for inherent and residual risk. This provides a visual indicator of the original level of risk and where it stands currently.

Key

Score 45-81 High Risk

Score 9-48 Moderate Risk

Score 1-18 Low Risk



Whilst the assessment remains subjective, the following 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 £5,000 or no impact outside single objective or no adverse publicity	5%-10% likely to occur in next 12 months
4	Financial loss between £5,000 and £20,000 or minor regulatory consequence or some impact on other objectives	10%-20% likely to occur in next 12 months
5	Financial loss between £20,000 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

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AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood						
SR 1	Legal												
	Failure to comply with the 1966 Park Act and other statutory requirements.	DCS	8	7	56	6	1	6	Quarterly	DCS	External Audit Internal Senior Management	On-going Monitoring	On-going Monitoring
	Failure to comply with Health & Safety legislation	DFR	9	6	54	7	2	14	31/03/2017	DFR	Senior management Members	2016/17 Work site Inspections plus annual audits	Annual Internal Audit Plan Complete. BSC audit Complete & 5* grading retained
SR2	Contractual												
	Agreeing to accept a partners' financial terms and conditions that will place an unacceptable long term contingent liability on the Authority	DFR	9	4	36	8	2	16	Quarterly	DCS/DFR	Internal Audit/ External Audit	No new agreements. Monitor re major projects eg Ice Centre Development	No new agreements. Monitor re major projects eg Ice Centre Development
	Contractors, Governing Bodies, or Trust not delivering agreed objectives	DFR	7	6	42	6	2	12	Executive Quarterly Monitoring	HSL	Senior Management and Members	1st Quarter Monitoring presented to Executive 21/7/2016 and sent to Scrutiny Members	4th Quarter Monitoring presented to scrutiny Paper S/35/16 and reported to Executive 16/6/2016

AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments			
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	(if Treat, further actions needed)									
	Failure to deliver the LVRPA management contract to the required specification including breach in SE Funding Agreements LVWWC, VeloPark, LV H+TC	DFR	9	4	4	36	●	Monitored as part of Trust contract monitoring	6	2	12	●	Executive Quarterly Monitoring	HSL	Senior management Internal Audit	1st Quarter Monitoring presented to Executive 21/7/2016 and sent to Scrutiny Members Sport England Q1 report sent to SE	4th Quarter Monitoring presented to scrutiny Paper S/35/16 and reported to Executive 16/6/2016. Sport England Q4 report sent to SE.25.5.16	
	Management of Facilities Contracts	DCS	9	4	4	36	●	Advice and support AMPD plus external contractors	9	3	27	●	Ongoing Monitoring	Annual Inspection & Review.	AMPD	Internal Audit Senior Management	APMD Undertake annual reviews of MPG's at venues to ensure compliance	APMD Undertake annual reviews of MPG's at venues to ensure compliance.
SR 3	Resources																	
	I.T. infrastructure does not meet future business need requirements. Authority reduces or lacks funding for updating or improving I.T infrastructure	DFR	9	4	4	36	●	Reports to Members Financial/Legal/Risk implications fully appraised. Financial Appraisal of schemes in accordance with prudential code. Existing IT Infrastructure budget £140K pa	8	3	24	●	Budget resources review for new projects	01/04/2017	DFR	Senior Management Internal Audit/External Audit	Strategy under review and built in as corporate objective in 2016-19 business plan. Report to Members by Dec 2016.	Strategy under review and built in as corporate objective in 2016-19 business plan. Report to Members by Dec 2016.

AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments	
	Risk Name	Lead	Impact	Likelihood	Total Score	Existing Controls	Impact	Likelihood							Total Score
	The Authority fails to attract and retain staff at all levels of the appropriate calibre	CEO	8	8	64	Reward & Recognition Training & development framework Management Away Days Staff presentations Internal/External communications	4	5	20	Treat	↑			Review underlying and built in as corporate objective in 2016-19 business plan. Report to Members by Dec 2016.	Review underlying and built in as corporate objective in 2016-19 business plan. Report to Members by Dec 2016.
SR 4	Financial Management														
	Financial Risks of unresourced legacy costs through non-achievement of income targets by Trust or inaccurate budget forecasting	DFR	9	9	81	Budget monitoring reports Authority/Trust monitoring Meetings Joint Chairs Meeting Review 2016/17 complete	7	2	14	Treat	↑	Senior management Members	Member Working Group start Sept 2016	Levy & Budget Strategy 2017-18 onwards	
	Ensure Adequate Funding for Both Organisation	DFR	9	9	81	Current Financial Plan 2016/17 Existing Budget Process Mandatory Rate relief achieved	7	2	14	Treat	↑	SMT Members	Member Working Group start Sept 2016	Levy & Budget Strategy 2017-18 onwards	

AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Treat, further actions needed						
SR5	Governance & Leadership														
	Lack of a clear corporate direction	CEO	9	9	81	9	1	9	   	Implement 2016-19 Business Plan	Quarterly Monitoring	CEO	Senior Management Members External Audit	Ongoing Monitoring through Executive & Scrutiny.	Ongoing Monitoring through Executive & Scrutiny.
	Challenge to the Levy resulting in non-payment	CEO	9	9	81	9	1	9	 	Implement 2016-19 Business Plan. Develop Levy Strategy.	Quarterly Monitoring	CEO	Senior Management Members	Member Working Group start Sept 2016	Monitor & respond to outcomes of Lords amendment to Housing & Planning Bill
SR6	Reputation/Communication														
	Impact on Authority if Trust Venues do not have a strong reputation	HC	7	5	35	6	3	18	 	Regular client meetings	Quarterly Monitoring Report	HC	Senior Management/ Members Stakeholder Perception KPI	New legacy report issued to stakeholders in August	Continual media and stakeholder monitoring
	Reputational Enhancement or Damage due to success or failure of Olympics Legacy	CEO	8	5	40	6	3	18	 	Ongoing management and monitoring	Monthly	HC	Senior management Members	Continued media and stakeholder monitoring, plus close working with LLDC to maintain positive public messages.	Continued media and stakeholder monitoring, plus close working with LLDC to maintain positive public messages.

AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Treat (if Treat, further actions needed)						
	Reputational Enhancement or Damage due to success or failure of stakeholder relationships	HC	9	3	27	6	3	18	 Treat	Ongoing	HC	Senior management Members Stakeholder Perception KPI	Engagement Programme with stakeholders, including council leader and GLA member invites to schools festivals and stakeholders invites to major events	Engagement Programme with stakeholders, including council leader and GLA member invites to schools festivals and stakeholders invites to major events	
	Failure to deliver major events in partnership with Governing Bodies/LVLT	HSL	7	5	35	6	4	24	 Treat	30/11/2016	HSL	Senior management Members Stakeholder Perception KPI	All major NGB events with the exception of the NEC Wheelchair Masters due to be held in November 2016 have been completed for this year. Major events since Q2; 2015 NEC Wheelchair Masters, 2016 UCI Track Cycling World Champs and Sport Relief. 2016 Men & Womens Champions Trophy in June	Authority Training Day completed 14/7/2016. Joint Trust & Authority Emergency Planning Training 18/10/2016. Revision of current procedures underway.	
SR7	Business Continuity														
	Inadequate business continuity implementation at any (all) sites	DFR	6	5	30	5	3	15	 Treat	18/10/2016	HSL	External Audit Internal Audit Senior Management	Authority Training Day completed 14/7/2016. Joint Trust & Authority Emergency Planning Training 18/10/2016. Revision of current procedures underway.	Authority Business Continuity training day scheduled to June 2016. Inclusion in annual audit plan.	

AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Existing Controls	Likelihood	Total Score	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments	
		Lead	Impact	Likelihood	Total Score	Likelihood	Impact													Total Score
SR8	Environmental Management																			
	Failure to manage contamination could be a risk to users, this includes land and/or water contamination (also damage to reputation from failing to manage contamination)	DCS	9	9	81					Site investigations carried out prior to developments & land remediated. Site investigations carried out on some other sites. Some sites monitored. Sites closed to public access where contamination is significant. Contaminated Land Policy Member Task & Finish group Completion of Contaminated Land Strategy & Policy	7	2	14	Consultant Site Investigations work to be completed.	30/09/2016	DCS	Senior Management/ Members	Paper E/442/16 summarised actions to date; user guides, supplemental land surveys & additional consultancy work at Holy-field Marsh prior to any remedial works being carried out		
	Veterinary Disease outbreak affecting Farms business (e.g. avian flu, Foot and Mouth)	DCS	6	6	36					Emergency Action Planning Insurance Funds General Reserves	5	3	15	Annual Insurance Renewal	30/09/2016	HP	Internal Audit Senior management	Insurance Renewal underway 2016/17	Insurance Renewal 2016/17	
	Disease outbreak affecting human health	DFR	9	2	18					Pandemic flu outbreak procedure Proactive monitoring during winter months Formal management of animal movements Quarterly SMT Reports Quarterly e-coli checks	8	2	16	None	Quarterly inspections	DFR	Internal Audit Senior management	Quarterly inspections of E. Coli control measures conducted by H&S Officer at the farms.	Quarterly inspections of E. Coli control measures conducted by H&S Officer at the farms.	
	Flood risk	DCS	7	5	35					Emergency Action Planning Insurance Funds General Reserves Working with Environment Agency & GIS Mapping of Flood Risk Areas Park Development Framework	6	5	30	Audit Recommendations completed. Further training and testing	30/06/2016	HP	Internal Audit Senior management	Authority Emergency Planning Training 18/10/2016 Plus linked in to EA plus site evacuation plans.	Authority Business Continuity Training June 2016. Plus linked in to EA plus site evacuation plans.	

AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Treat/Transfer/Terminate (if Treat, further actions needed)						
17	Environment damage/disaster to buildings/ programme/events	DCS	7	5	35	6	5	30	Treat	Audit Recommendations completed. Further training and testing	30/06/2016	DFR	H+S Senior management	DRP completion and Audit by 31/6/2016. Joint Trust Authority training day 18/10/2016	DRP completion and Audit by 31/6/2016. Joint Authority training day to be actioned by 30/06/2016

AUTHORITY STRATEGIC RISK REGISTER AS AT 22 SEPTEMBER 2016

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	22/09/2016 Comments	16/06/2016 Comments
		Lead	Impact	Likelihood	Total Score	Likelihood	Impact										
SR 9	Major Development - Ice Centre	CEO	9	8	72												
	Failure in Strategic Risks 1-8 above in the development of the Ice Centre circa £30m project											Business Plan Tender for Design Team Engagement stakeholders, users and local community	31/03/2017	HSL	Senior management Members External Consultants	Tenders being assessed re project management & design team.	None

Score 45-81 High Risk
 Score 19-48 Moderate risk
 Score 1- 18 Low risk

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

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Our ref: RS/MG/005
Date: 15th August 2016

Dear Colleague

Internal Audit & Anti-Fraud Framework

Following the very successful workshop hosted by Mazars in May, we now have a better idea about some of the things that users of the existing framework would like to be reflected in a new framework from 2018.

Before going out to the market it would be helpful to know who is likely to want to make use of a new framework as it may help bidders with pricing their offering.

I should, therefore, be grateful if you would give me an indication as to whether or not you are likely to want to use the framework and, if possible, what your minimum level of usage might be in the first year (2018/19). Obviously this is not a commitment but just a useful indication.

Could you please let me have that information by 30th September 2016 by e-mailing simon.maddocks@croydon.gov.uk.

Yours sincerely,



Richard Simpson
Assistant Chief Executive, Corporate Resources and S151 Officer

