

## **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 assist 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 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 (AGS) (which is published with the financial statements).
- 2 Regulation 3 of the Accounts and Audit Regulations 2015 requires that:

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

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

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

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




June 2018 (Paper AUD/90/18).

## REVIEW OF THE STRATEGIC RISK REGISTER

- 8 The current Strategic Risk Register is reviewed by officers and Members on an on-going basis and signed off at each Audit Committee.
- 9 Members last considered the risk register at the Audit Committee in June 2019 (Paper AUD/101/19).
- 10 Since the June 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 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.

11.

Risk	Residual Risks 21 June 2018	Residual Risks 20 September 2018	Residual Risks 14 February 2019	Residual Risks 20 June 2019	Residual Risks 19 September 2019
	4	4	3	3	2
	7	7	9	9	9
	7	7	7	7	8
<b>Total Risks</b>	<b>18</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Notional Score</b>	<b>596</b>	<b>461</b>	<b>495</b>	<b>479</b>	<b>462</b>

- 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; and
  - II. the movement in scoring for the LSC Retender (SR9) remains as an amber score of 32 (but sub-register total score down from 320 to 289) due to further progress in the procurement process and in relation to decoupling of support services.

Changes to the register are in red font to indicate changes since the last Audit Committee risk register paper.

## 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 AGS 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 LSC 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.

---

Author: Simon Sheldon, 01992 709 859, [ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk)

## **BACKGROUND REPORTS**

Lee Valley Regional Park Authority Risk Management Strategy      June 2018

## **PREVIOUS COMMITTEE REPORTS**

Audit Committee	AUD/101/19	Risk Register 2019/20	20 June 2019
Audit Committee	AUD/97/19	Risk Register 2018/19	14 February 2019
Audit Committee	AUD/94/18	Risk Register 2018/19	20 September 2018
Audit Committee	AUD/90/18	Risk Register 2018/19	21 June 2018
Audit Risk Workshop			07 June 2018

**APPENDICES ATTACHED**

Appendix A	2019/20 Corporate Risk Register – Authority
Appendix B	2019/20 Sub Register LSC tender (SR9)
Appendix C	Risk Scoring Criteria (extract from the approved risk management strategy (June 2018).

**ABBREVIATIONS**

LSC	Leisure Services Contract
AGS	Annual Governance Statement

**This page is blank**

STRATEGIC RISK REGISTER AS AT 10 SEPTEMBER 2019

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk (if Treat, further actions needed)	Deadline for Completion	Updated Comments 19/09/2019	Updated Comments 20/08/2019				
		Lead	Impact	Likelihood	Total Score	Existing Controls	Source of Assurance					Impact	Likelihood	Total Score	
SR1	Legal Failure to comply with the 1966 Park Act and other statutory requirements.	DCS	8	7	58	Existing Controls	EA -Annual Audit Letter IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly	6	1	6	DCS	Ongoing	Ongoing		
		DFR	8	6	54	Provision of Legal Services Member scrutiny through Authority & Committee meetings Annual Governance statement Park Act Awareness covered by inductions for new staff. Health and Safety management H&S manual (procedures) regularly reviewed by RDHS who monitor up and coming legislation. Policy Updated annually Risk Reduction Plan complete. External H&S Assessment 5* Annual Report to Audit Committee	RD/SMT 1/4ly Reports BSC 3 yr ext H&S review RD Annual Audits M Year Report	7	2	14	Annual Internal Audit & H&S Audit Plans delivered.	DFR	Annual Report & new year Plan approved June Audit Committee (AUDY102/19)	Annual Report at 98.5% Trust 85.6%. Ensure Trust have support to increase score	
SR2	Contractual Agreeing a partners' financial terms and conditions that will place an unacceptable long term liability on the Authority	DFR	9	4	36	Reports to SMT and Members Financial/legal/Risk implications fully appraised. Appraisal of schemes in accordance with prudential code.	M Exec Monthly LA agreement	8	2	16	Ongoing resources review for specific projects	DCS/ DFR	Ongoing	Ongoing	
		DFR	7	6	42	All contracts reviewed prior to commencement by a responsible officer. Delivery monitored by Director/Head of Service and Quarterly Performance Reports to Executive & Scrutiny Committees	M Exec Monthly M Scrutiny 1/4ly	6	2	12	Quarterly Contract monitoring.	HSL	Executive Quarterly Monitoring	Contracts working well with few issues. The Trusts performance re the LSC is detailed within the Sept Exec Members paper.	Contracts working well with few issues. The Trusts performance re the LSC is detailed within the Sept Exec Members paper.
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36	Advice and support APMD plus external contractors. Quality contractors employed for maintenance through procurement (Price Quality ratio applied)	APMD Annual Inspections	7	3	21	Ongoing Monitoring	Annual Inspections & Review. MPG Work complete by 31.12.19	APMD	Annual Inspections ongoing - updated MFG paperwork in progress	Annual Inspections ongoing - updated MFG paperwork in progress

STRATEGIC RISK REGISTER AS AT 19 SEPTEMBER 2019

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Source of Assurance 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	Impact Likelihood	Total Score			Treat (Treat, Transfer/Treat/Terminate)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 19/09/2019	Updated Comments 20/06/2019
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood											
SR 3	<b>Resources</b> I.T. infrastructure does not meet future business need requirements. Authority requires funding for updating or improving. I.T. infrastructure	DFR	9	4	36		Existing Controls Reports to Members Financial/Legal/Risk Implications fully appraised. Financial Appraisal of schemes in accordance with prudential code. Existing IT Infrastructure budget £100K pa Reward & Recognition Training & development framework Management Away Days Staff presentations Internal/External communications Up to date Staff handbook Up to date policies	SMT Weekly Meeting Minutes IA Audit Plan EA -Annual Audit Letter	8	3	24		Treat	Support Services Review for new Contract post 2020	31/03/2020	DFR	Payroll review complete requires SMT sign-off. Systems decoupling ongoing	Payroll review underway. New Usage counters in place. Systems decoupling in progress
	The Authority fails to recruit/retain staff at all levels of the appropriate calibre	CEO	8	8	64			M Annual Sickness Report M -Policy Reports SMT Annual Training panel	4	4	16		Treat	Ongoing Monitoring	On-going	CEO/DFR	Support Services decoupling for final 3 points. HR & LD Strategy drafted as part of 2020-25 business plan. Management Structure review underway.	Support Services Decoupling near complete
SR 4	<b>Financial Management</b> 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		Budget monitoring reports Authority/Trust monitoring Meetings Joint Chairs Meeting Budget Review 2019/20 complete Medium Term Financial Plan £4m Minimum Reserves Policy Statutory Power to Levy	M Excc 1/4ly M Authority Annual Budget SMT Monthly & 1/4ly Reports	7	2	14		Treat	Budget Review 2020/21	23/01/2020	DFR	New 2020-25 business plan and MTFP for Members consideration during Autumn 2019	2019/20 budget complete.Revenue & Capital Outlay reported to Executive 23/05/2019
SR5	<b>Governance &amp; Leadership</b> Lack of a clear corporate direction	CEO	9	9	81		Authority meetings SMT Business Plan 2016-19 MTFP Levy Land & Property Strategy Vision 2010-2020 Stakeholder engagement Clear Budget/Levy Direction Funded Financial Plan Statutory Levy Raising Powers Monitoring of Legislation	M 1/4ly Authority Meetings M Working Groups SMT Weekly Meeting Minutes SMT Weekly Meeting Minutes LA as needed	9	2	18		Tolerate	Set out 2020-2025 Business Plan	23/01/2020	CEO	New business plan prepared for 2020-2025 ahead of the budget round in the Autumn.	New business plan prepared for 2020-2025 ahead of the budget round in the Autumn.
	Challenge to Authority's powers to raise the Levy on all constituent councils	CEO	9	9	81			SMT Weekly Meeting Minutes LA as needed	9	1	9		Tolerate	Set out 2020-2030 Vision	Quarterly Monitoring 23/01/2020	CEO	Ongoing	Ongoing



STRATEGIC RISK REGISTER AS AT 19 SEPTEMBER 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 19/09/2019	Updated Comments 20/08/2019
		Lead	Impact	Likelihood	Impact	Likelihood	Total Score					
SR6	Reputational/Communication. Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	HC	7	5	35	6	3	18	Quarterly Monitoring Report	HC	Ran proactive summer campaign for park as a destination. Used Camoe Station World Cup 2019 to engage stakeholders. Continued work with Trust on brand	Continued engagement with stakeholders - use of major event invitations to share update/information, working with Trust to ensure we're on brand, proactive campaigns to raise profile and drive visits.
SR7	Business Continuity Inadequate business continuity implementation at any (all) sites following natural disaster, IT failure including Cyber Terrorism, Flooding, Disease Outbreak (animals/humans), Terrorism.	CEO	6	5	30	5	3	15	Quarterly Monitoring	HSL	Process in place for 2019/20. Health Safety contract review to ensure fit for purpose come the start of the new LSC and 2025 business plan.	As per Feb 19 paper with the Trust having updated their new management structure and comms processes.
SR8	Environmental Management Failure to manage contamination could be a risk to users, this includes land and/or water contamination (also damage to reputation from failing to manage contamination)	DCS	9	9	81	7	2	14	Ongoing Monitoring plus analysis when land sold/purchased or developed	DCS	Ongoing monitoring in line with Land Contamination Strategy & Policy	Ongoing monitoring in line with Land Contamination Strategy & Policy

STRATEGIC RISK REGISTER AS AT 19 SEPTEMBER 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 19/09/2019	Updated Comments 20/08/2019
		Impact	Likelihood	Total Score	Controls	Impact	Likelihood	Total Score	Controls					
SR9	Major Business Developments Ice Centre Failure in Strategic Risks 1-8 above in the development of the Ice Centre circa £30m project and Legal Challenges	CEO	9	8	72	<p>Legal Advice</p> <p>Prudential Code</p> <p>Feasibility Studies</p> <p>Member Steering Group</p> <p>Existing PR/Comms</p> <p>Feasibility budget</p> <p>Working with LB Waltham Forest</p> <p>Planning Advice</p>	<p>EC Reports SMT</p> <p>Weekly Meeting</p> <p>Minutes</p> <p>Exec Monthly M</p> <p>1/4ly Authority</p> <p>Meetings</p> <p>M Working</p> <p>Groups</p> <p>IA Audit Plan</p> <p>EA -Annual Audit Letter</p>	<p>9</p>	<p>Treat</p>	<p>08/10/2020</p>	HSL	<p>Stage 3 continues well and the stage 3 designs are now fixed for submission for planning. The consultation period has also finished and has been very positive.</p>	<p>£1.75m allocated to deliver design, tender process for construction.</p> <p>£130k allocated for equipment related to maintain continuity of service.</p>	
	Picketts Lock Development Failure in Strategic Risks 1-8 above in the development of the Picketts Lock circa £40m project and Legal Challenge	CEO	8	8	64	<p>Legal Advice</p> <p>Prudential Code</p> <p>Feasibility Studies</p> <p>Existing PR/Comms</p> <p>Feasibility budget</p> <p>Working with LB Enfield</p> <p>Advice</p> <p>Property Member Group</p> <p>Planning Land &amp;</p>	<p>EC Reports SMT</p> <p>Weekly Meeting</p> <p>Minutes</p> <p>Exec Monthly M</p> <p>1/4ly Authority</p> <p>Meetings</p> <p>M Working</p> <p>Groups</p> <p>IA Audit Plan</p> <p>EA -Annual Audit Letter</p>	<p>8</p>	<p>Treat</p>	<p>31/03/2020</p>	DCS	<p>Site Investigations ongoing.</p>	<p>Some site investigations have been undertaken and details of the results are awaited. Further site investigation will be undertaken later this year.</p>	
	Leisure Services Contract Retender Failure in Strategic Risks 1-8 above in the retender of the Leisure Services Contract circa £20m and potential Legal Challenge	CEO	9	5	45	<p>Legal Advice</p> <p>Procurement Regulations</p> <p>Medium Term Financial Plan</p> <p>Existing PR/Comms</p> <p>External Consultants</p> <p>Member Steering Group</p> <p>Market Engagement &amp; Specification</p> <p>Tender Exercise Complete</p>	<p>EC Reports SMT</p> <p>Weekly Meeting</p> <p>Minutes</p> <p>Exec Monthly M</p> <p>1/4ly Authority</p> <p>Meetings</p> <p>M Working</p> <p>Groups</p> <p>IA Audit Plan</p> <p>EA -Annual Audit Letter</p>	<p>8</p>	<p>Treat</p>	<p>30/09/2019</p>	CEO	<p>Best and Final submissions due mid September and final evaluation. Member report re contract award in October</p>	<p>Evaluation of submitted tenders June/July</p>	

STRATEGIC RISK REGISTER AS AT 19 SEPTEMBER 2019

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Updated Comments 19/09/2019	Updated Comments 20/06/2019	
		Lead	Impact	Likelihood	Total Score	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	8	4	32	31/03/2020	HoP	Property referred to in previous comment returned to the market and the Authority's offer has now been accepted and the acquisition is currently proceeding.	On-going as opportunities arise. Recent offer made for a potential purchase of a property was rejected and vendor has accepted a higher offer.
		DCS	8	7	56	8	5	40	31/03/2020	HoP	Three disposals identified by the Land & Property Working Group. Reporting to Executive as matters progress	Progressing land disposals identified by the Land & Property Working Group. Reporting to Executive as matters progress
SR11	Impact of Brexit on Authority Failure in Strategic Risks 1-10 above due to changes in the Economic and Business climate brought about by changes following the departure from the European Union	CEO	7	9	63	7	6	42	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

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



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

462

**This page is blank**

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 19 SEPTEMBER 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 19/09/2019	Comments 20/06/2019
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
SR1	Legal Failure to comply with Public Procurement Regulations	DCS	7	9	63	5	1	5	Monthly	HSL	Best and Final submissions due mid September and final evaluation Member report re contract award in October	Tender submissions received 10 June. Evaluation June/July
	Process delayed by legal challenge before November 1st 2019	DCS	7	8	56	6	7	42	Weekly	HSL	Ongoing	Ongoing
SR2	Contractual New contractual arrangements not in place by 1 April 2020	DCS	7	8	56	7	5	35	Weekly	DCS	LSC officer project management group plus agreed timetable. Plus tasklist	LSC officer project management group plus agreed timetable. Plus tasklist
	Existing Service deteriorates as current contract nears end causing failure to delivering on agreed objectives, contractual requirements or terminating contract prior to commencement of new contract	DFR	6	6	36	6	4	24	Executive Quarterly Monitoring	DFR	Q1 LSC monitoring report to Executive 19/08/19	Q4 LSC monitoring report to Executive 20/06/19
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36	9	3	27	Annual/Monthly Inspections & Review.	APMD	Asset Management plan 2019/20 and 2020/21 to address condition survey	Asset Management plan 2019/20 and 2020/21 to address condition survey

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 19 SEPTEMBER 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 19/09/2019	Comments 20/09/2019
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
SR 3	Resources Inadequate I.T. Infrastructure/ Systems/Data for new LSC.	DFR	7	5	35	7	5	35	31/03/2020	DFR	Systems and licences decoupling progressing Payroll review re post 2020 requirements complete and awaiting SMT sign-off.	Systems and licences decoupling underway. Payroll review re post 2020 requirements. Current system running on legacy server.
	Inadequate Support Services to mitigate legal challenge during procurement process and to ensure adequate resources for contract mobilisation.	DFR	7	8	56	8	1	6	31/10/2019	DFR	Support Services decoupling for final 3 points completed over next couple of months	Decoupling predominantly complete. Support Services in place.
SR 4	Financial Management Financial Risks of contractor failure and Authority to assume control of venues	DFR	9	6	54	9	4	36	31/09/2019	DCS	Planned Autumn action.	Planned Summer/ Autumn action.
SR5	Governance & Leadership Contractor fails to provide the governance structures and leadership to deliver the statutory, financial and best practice requirements of the contract.	CEO	7	7	49	7	2	14	30/11/2019	CEO	Best and Final submissions due mid September and final evaluation. Final bidders meet requirements.	Tender evaluation June/July

LESURE SERVICE CONTRACT SUB RISK REGISTER AS AT 19 SEPTEMBER 2019

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Tolerate/Transfer/Treat/Retain (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments	Comments 20/06/2019		
		Lead	Impact	Likelihood	Lead	Impact	Likelihood											
SR6	Reputation/Communication Retendering of the contract requires engagement in the wider market including the existing contractor. Failure to deliver a fair and transparent process could damage the Authority's reputation in this and future tendering processes	HSL	7	7	49			5	1	5			Tolerate	PR/Comms team to manage external communications Stakeholder engagement consultants	31/05/2019	HSL	Complete	Predominantly complete.
SR7	Business Continuity Inadequate business continuity implementation during procurement phase and during mobilisation of new contract.	CEO	7	7	49			7	4	28			Treat	Audit Recommendations implemented Further training and testing. Align Contractor Risk Register - to Authority risk register to ensure continuity	Quarterly Monitoring	HSL	Trust provided assurances between now and the end of the current contract. Ongoing monitoring continues plus quarterly reports to Executive.	Trust provided assurances 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 10 SEPTEMBER 2019

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Source of Assurance 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 PR Performance Review	Existing Controls	Treat/Transfer/Terminate (If Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadlines for Completion Actions	Officer(s) Responsible	Comments 19/09/2019	Comments 20/09/2019
		Lead	Impact	Likelihood	Lead	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	46	8	4	32	High	High	Legal Advice Procurement Regulations Medium Term Financial Plan Existing PR/Comms External Consultants Member Steering Group Market Engagement Specification SMT monitoring.	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	Treat	Scoring team who will be independently trained to score the bids. Separate panel three officers (1 external) who will be the check and challenge for all areas relating to the scoring. Internal Audit	31/10/2019	CEO	Comments set out above. Tender Exercise still on target	Comments set out above. Tender Exercise still on target
	Leisure Services Contract Retender Failure to appoint contractor for new Leisure Service Contract.	CEO	8	3	24	8	3	24	Moderate	Moderate	Legal Advice Procurement Regulations External Consultants Steering Group Procurement regulations diligence followed through process	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups- IA Audit Plan EA -Annual Audit Letter	Treat	Explore setting up a skeleton trust to be established as part of Business Continuity Plan for maintaining service provision.	30/11/2019	CEO	Submissions received and subject to evaluation should allow one to be appointed as preferred contractor.	Two submissions received and subject to evaluation should allow one to be appointed as preferred contractor.

289

584









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

Progress in a positive direction in 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.

	<b>Impact</b>	<b>Likelihood</b>
<b>1</b>	No impact	<1% likely to occur in next 12 months
<b>2</b>	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
<b>3</b>	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
<b>4</b>	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
<b>5</b>	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
<b>6</b>	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
<b>7</b>	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
<b>8</b>	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
<b>9</b>	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months