

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				Residual Risk Score				Total Score	Likelihood	Impact	Source of Assurance	Existing Controls	Total Score	Likelihood	Impact	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments	Updated Comments	
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score														
SR1	Legal Failure to comply with the 1986 Park Act and other statutory requirements.	DCS	8	7	66	6	1	6	6	1	6	EA -Annual Audit Letter IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly	Provision of Legal Services Member scrutiny through Authority & Committee meetings Annual Governance statement Park Act Awareness covered by inductions for new staff.	66	7	6	EA -Annual Audit Letter IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly	Quarterly	DCS	Ongoing	Updated Comments 20/06/2019	Updated Comments 14/02/2019	
	Failure to comply with Health & Safety legislation	DFR	9	6	54	7	2	14	14	2	14	RD/SMT 1/4ly Reports BSC 3 yr ext review RD Annual Audits M Year Report	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 th Annual Report to Audit Committee	54	2	14	Annual Internal Audit & H&S Audit Plans delivered.	31/03/2020	DFR	Auth score at 96.5% Trust 85.5%. Ensure Trust have support to increase score above 5 th level	Ongoing	Annual Health & Safety Audits complete and improvement in score above 5 th level	
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	8	2	16	16	2	16	M Exec Monthly LA agreement	Reports to SMT and Members Financial/Legal/Risk Implications fully appraised. Appraisal of schemes in accordance with prudential code.	36	2	16	Ongoing resources review for specific projects	Quarterly	DCS/ DFR	Ongoing	Ongoing	Ongoing	
	Contractors, Governing Bodies, or Trust not delivering agreed objectives/contract	DFR	7	6	42	6	2	12	12	2	12	M Exec Monthly M Scrutiny 1/4ly	All contracts reviewed prior to commencement by a responsible officer. Delivery monitored by Director/Head of Service and performance monitoring team Quarterly Performance Reports to Executive & Scrutiny Committees	42	2	12	Quarterly Contract monitoring.	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	7	3	21	21	3	21	APMID Annual Inspections	Advice and support APMID plus external contractors. Contractors employed for maintenance through procurement (Price Quality ratio applied)	36	3	21	Ongoing Monitoring	Annual Inspections & Review. MPG Work complete by 31.12.19	APMD	Annual Inspections ongoing - weakness in MPG paperwork being addressed	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	Officer(s) Responsible	Updated Comments			
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	Treatments/Transfers/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	Support Services Review for new Contract post 2020	31/03/2020	DFR	Payroll review underway. New Usage counters in place. Systems decoupling in progress	Updated Comments 20/06/2019	Updated Comments 14/02/2019
	The Authority fails to recruit/retain staff at all levels of the appropriate calibre	CEO	8	8	64	4	4	16	↑	Treat	Ongoing Monitoring	On-going	CEO/DFR	Support Services Decoupling complete	Support Services Decoupling in progress	
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	Budget Review 2018/19	24/01/2020	DFR	2019/20 budget complete. Revenue & Capital Outturn reported to Executive 23/05/2019	Quarter 3 Revenue & Capital Monitoring to Executive 14/02/2019	
SR5	Governance & Leadership Lack of a clear corporate direction	CEO	9	9	81	9	3	27	↑	Tolerate	Set out 2020-2030 Vision	30/09/2019	CEO	New business plan prepared for 2020-2025 ahead of the budget round in the Autumn.	New 2020-2030 to be developed over Spring & Summer.	
	Challenge to Authority's powers to raise the Levy on all constituent councils	CEO	9	9	81	9	1	9	↕	Tolerate	Set out 2020-2030 Vision	Quarterly Monitoring 24/01/2019	CEO	Ongoing	Ongoing	

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	Impact	Likelihood	Total Score	Control Indicators						
SR6	Reputation/Communication Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	HC	7	5	35	6	3	18	 	Regular client meetings	Quarterly Monitoring Report	HC	Continued engagement with stakeholders - use of 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	5	3	15	 	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				Total Score	Traffic	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments	Updated Comments		
		Lead	Impact	Likelihood	Total Score	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					7	2	14	 	Ongoing monitoring	Ongoing Monitoring plus analysis when land sold/purchased or developed	DCS	Ongoing monitoring in line with Land Contamination Strategy & Policy	Ongoing monitoring in line with Land Contamination Strategy & Policy	

STRATEGIC RISK REGISTER AS AT 20 JUNE 2019

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Total Score	Likelihood	Impact	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 20/06/2019	Updated Comments 14/02/2019
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score								
SR9	<p>Major Business Developments</p> <p>Ice Centre Failure in Strategic Risks 1-8 above in the development of the Ice Centre circa £30m project and Legal Challenge</p>	CEO	9	8	72	<p>Existing Controls</p> <p>Legal Advice Prudential Code Feasibility Studies Member Steering Group Existing PR/Comms Feasibility budget Working with LB Waltham Forest Planning Advice</p>	<p>Source of Assurance EA Ext Audit IA Int Audit SMT Sr Mgmt Team RD Members M BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult</p>	9	7	63	<p>Red</p> <p>Yellow</p> <p>Green</p>	<p>Down</p> <p>Up</p> <p>Up</p>	Tolerate/Transfer/Treat/Terminate (If Treat, further actions needed)	<p>08/10/2020</p>	HSL	<p>£1.75m allocated to deliver design, planning and tender process for construction. £130k allocated for ice related equipment to maintain continuity of service.</p>	Design work progressing well & discussions with WF re formal pre applications. Members consider the next stage in April.
	<p>Picketts Lock Development</p> <p>Failure in Strategic Risks 1-8 above in the development of the Picketts Lock circa £40m project and Legal Challenge</p>	CEO	8	8	64	<p>Legal Advice Prudential Code Feasibility Studies Existing PR/Comms Feasibility budget Working with LB Enfield Land & Planning Advice Property Member Group</p>	<p>EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter</p>	8	7	56	<p>Red</p>	<p>Up</p>	Treat	31/03/2019	DCS	<p>Some site investigations have been undertaken and details of the results are awaited. Further site investigation will be undertaken later this year.</p>	Public announcement of the WAVE in November 2018. Site investigations progressing.
	<p>Leisure Services Contract Retender</p> <p>Failure in Strategic Risks 1-8 above in the retender of the Leisure Services Contract circa £20m and potential Legal Challenge</p>	CEO	9	5	45	<p>Legal Advice Procurement Regulations Medium Term Financial Plan Existing PR/Comms External Consultants Group Member Steering Market Engagement & Specification Tender Exercise Complete</p>	<p>EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter</p>	8	4	32	<p>Yellow</p>	<p>Up</p>	Treat	31/09/2019	CEO	<p>Evaluation of submitted tenders June/July</p>	See new project specific sub Registrar. 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	Likelihood	Impact	Tolerate/Transfer/Treat/Terminate (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	8	4	32	48	4	8	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
	Disposals - Legal challenge, Reputational Damage, reduced public access or bio diversity. Failure to deliver anticipated capital resources through land disposal due to the constraints imposed by the riparian boroughs/districts and other agencies, e.g. green belt/flood risk/contaminated land	DCS	8	7	56	8	6	48	48	6	8	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	CEO	7	9	63	7	6	42	42	6	7	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

Score 45-81 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	Officer(s) 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		<p>Existing Controls</p> <p>Provision of Legal Services Member scrutiny through LSC Working Group, Authority & Committee meetings Ext Consultants Support Internal Audit</p>	<p>Source of Assurance</p> <p>EA Ext Audit</p> <p>IA Int Audit</p> <p>SMT Sr Mgmt Team</p> <p>RD</p> <p>M</p> <p>H&S</p> <p>Members</p> <p>BSC H&S</p> <p>LA Legal Advice</p> <p>APMD Asset Mgmt Team</p> <p>EC Ext Consult</p> <p>PR Performance Review</p>	5	1	5		<p>Tolerate</p>	<p>Continue to receive external consultancy advice and report to Members</p>	Monthly	HSL	<p>Tender submissions received 10 June. Evaluation June/July</p> <p>Ongoing support of Audit and external consultants.</p>	<p>OJEU notice published 03/12/18.</p> <p>Ongoing support of Audit and external consultants.</p>
	Process delayed by legal challenge before November 1st 2019	DCS	7	8	56		<p>Provision of Legal Services Member scrutiny through LSC Working Group, Authority & Committee meetings Ext Consultants Support In house staff work plans prioritised</p>	<p>LA In house</p> <p>IA Audit Plan</p> <p>SMT Weekly Meeting Minutes</p> <p>M Exec Monthly</p> <p>M LSC Group</p> <p>EC advice</p>	6	7	42		Treat	<p>On going monitoring and assessment of procurement at Officer & Member commissioning groups. Report on outcome of tendering process</p>	Weekly	HSL	Ongoing	Ongoing
SR2	Contractual New contractual arrangements not in place by 1 April 2020	DCS	7	8	56		<p>Reports to SMT and Members Financial/Legal/Risk Implications fully appraised. Ext in house staff work plans prioritised Project Timetable/Plan</p>	<p>SMT Weekly Meeting Minutes</p> <p>M Exec Monthly</p> <p>M LSC Group</p> <p>EC advice</p> <p>LA contract</p>	7	5	35		Treat	<p>Ongoing resources review for contracts Work plan priority</p>	Weekly	DCS	<p>LSC officer project management group plus agreed timetable. Plus tasklist</p>	<p>LSC officer project management group plus agreed timetable</p>
	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		<p>Delivery monitored by Director/Head of Service and performance monitoring team Quarterly Performance Reports to Executive & Scrutiny Committees.</p>	<p>M Exec Monthly</p> <p>M Scrutiny 1/4ly</p> <p>IA Audit Plan</p> <p>SMT Weekly Meeting Minutes</p> <p>LA current contract</p>	6	4	24		Treat	<p>Quarterly Contract monitoring. Contractor Service Plan for 2019/20 Agreed</p>	Executive Quarterly Monitoring	DFR	<p>Q4 LSC monitoring report to Executive 20/06/19</p> <p>Q3 LSC monitoring Report 14/02/19</p>	





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	Source of Assurance EA Ext Audit IA Int Audit SMT Sr Mgmt Team H&S M Members BSC H&S LA Legal Advice APMD Asset Mgmt Team EC Ext Consult PR Performance Review	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	Lead	Impact	Likelihood	Total Score									
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCS	9	4	36	9	3	27			Tolerate/Transfer/Treat/Terminate (If Treat, further actions needed)	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			Treat	Review for Procurement process Review for new Contract post 2020	31/03/2020	DFR	Systems and licences decoupling underway. Payroll review re post 2020 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			Tolerate	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			Treat	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			Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	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						
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	 ↓ ↑ ↑	30/11/2019	CEO	Tender evaluation June/July	Tender Specification sets out clear guidelines. Support advice from auditors
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	3	15	↕	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	↑		HSL	Trust provided assurances between now and the end of the current contract. 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	Comments	Comments		
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score								
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	 Existing Controls Legal Advice Procurement Regulations Medium Term Financial Plan Existing PR/Comms Consultants Group Market Engagement Specification SMT monitoring.	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	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	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. 14/02/2019
	Leisure Services Contract Retender Failure to appoint contractor for new Leisure Service Contract.	CEO	8	3	24	 Existing Controls Legal Advice Procurement Regulations External Consultants Steering Group Procurement regulations diligently followed through process	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	8	3	24	 Treat	Explore setting up a skeleton trust to be established as part of Business Continuity Plan for maintaining service provision.	30/11/2019	CEO	Two submissions received and subject to evaluation should allow one to be appointed as preferred contractor.	Ongoing

584

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