



**LEE VALLEY REGIONAL PARK AUTHORITY**

**AUDIT COMMITTEE**

**22 OCTOBER 2020 AT 12:30**

**Agenda Item No:**

**7**

**Report No:**

**AUD/113/20**

## **RISK REGISTER 2020/21**

Presented by the Corporate Director

### **SUMMARY**

At each Audit Committee Members review the Risk Register for progress against existing actions and to ensure that the Risk Register remains relevant to deal with the corporate risks facing the organisation.

At the Audit Committee in June 2018 (Paper AUD/90/18) Members approved the updated risk management strategy and corporate risk register following the Risk Management Workshop held on the 7 June 2018. This workshop analysed and reviewed the risk management strategy and corporate risk register in detail to ensure that this committee could proactively input into, manage and monitor the register going forward with up to date risks identified that are relevant to the Authority's business over the coming years.

The risk management strategy and corporate risk register assists Members in their consideration and approval of the Annual Governance Statement as a key part of the financial statements. A robust risk management framework and register is one key element of the Annual Governance Statement and a source of assurance for Members in approving this statement year on year as part of the published accounts.

### **RECOMMENDATION**

Members Approve: (1) the Corporate Risk Register included at Appendix A and the sub-registers at Appendices B and C of this report.

### **BACKGROUND**

- 1 Risk management is one of the key internal controls for an organisation. Members need to ensure that a sound system of internal control is maintained and an annual review of the effectiveness of the system of internal control is conducted to provide sufficient, relevant and reliable assurance to enable them to authorise the signing of the Authority's Annual Governance Statement (AGS) (which is published with the financial statements).
- 2 Regulation 3 of the Accounts and Audit Regulations 2015 requires that:

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

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

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

**3 Each financial year the relevant authority must:**

- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and**
- (b) prepare an annual governance statement - This statement must be published together with the statement of accounts and the narrative statement in accordance with Regulation 10.**

**4 Assurance of the Authority's internal control system is derived through the work of the internal audit function (undertaken by Mazars for the Authority); and also through the monitoring of processes put in place by management and other external bodies including those around risk management and health & safety. This provides evidence which allows the Authority to form conclusions on the adequacy and effectiveness of the systems of internal control and also on the efficiency of operations.**

**5 Risk management is not solely a focus on the finances of the Authority. The scope of internal control spans the whole range of the Authority's activities and includes those controls designed to ensure:**

- the Authority's policies are put into practice;**
- the organisation's values are met;**
- laws and regulations are complied with;**
- required processes are adhered to;**
- financial statements and other published information is 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 2020 (Paper AUD/111/20).
- 10 Since the June Committee officers have incorporated approved Member revisions, reviewed the register, considered potential new risks and the scoring. This includes the risk sub register that was considered and agreed by the Leisure Services Contract (LSC) Working Group to give greater detail and management emphasis to managing the risks and actions in relation to the LSC Contract Retender (Strategic Risk SR9). This is attached as Appendix B to this report. Some of the Impacts of the Covid-19 pandemic had been included within the current Risk Register but a sub risk register was populated to specifically review these impacts. This is attached as Appendix C 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 14 February 2019	Residual Risks 20 June 2019	Residual Risks 19 September 2019	Residual Risks 27 February 2020	Residual Risks 25 June 2020	Residual Risks 22 October 2020
	3	3	2	3	5	5
	9	9	9	7	7	7
	7	7	8	9	8	8
<b>Total Risks</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>20</b>
<b>Notional Score</b>	<b>495</b>	<b>479</b>	<b>462</b>	<b>478</b>	<b>599</b>	<b>581</b>

- 12 The key point to note since the last review of the register is the overall decrease in the corporate risk register residual notional score. The operational and financial risks from the LSC Contract Retender (SR9) are still in place, which had moved from amber to red, though the likelihood of this has decreased with the withdrawal of the challenge from Lee Valley Leisure Trust Ltd (the Trust). This is also reflected within the LSC sub register where some of the individual risks are showing an improvement. Decisions taken to mitigate these risks have been approved by full Authority and monitoring of these risks is taking place at each Executive Committee, Senior Management and officer level. A verbal update will be presented at Committee to advise Members regarding progress. There are still continued financial and operational risks caused by the Covid-19 pandemic and its effects on the Authority's business and flow of income.

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

## **ENVIRONMENTAL IMPLICATIONS**

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

## **EQUALITY IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

- 15 Revision of the Strategic Risk Register is a key element of this Authority's system of internal control that contributes to safeguarding the assets of the Authority and its reputation for sound financial management of public funds. This is reflected in the Authority's 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.
- 17 Due to the impact of the Covid-19 pandemic, an emergency budget was approved by Members in May at Executive Committee (Paper E/674/20) following a briefing paper to full Authority on the budget implications in April. The impact of Covid 19 will have a long term effect on both the Authority and other businesses and will require close monitoring of the Authority's cash reserves over the coming year as well as being an important factor in the 2021/22 budget/levy setting process and for the medium term financial plan.

## **HUMAN RESOURCE IMPLICATIONS**

- 18 The additional human resource implications arising directly from this report have been outlined within the sub risk register actions and can be met from existing employee resources.

## **LEGAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

- 20 These are dealt with through the main body of the report and through the revised register. Covid-19; the Ice Centre; the Picketts Lock Development; the Leisure Services Contract tender projects; and the implementation of the Land & Property Strategy are recognised as 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 a Corporate Work Programme for 2021/22 followed by a revised 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/111/20	Risk Register 2020/21	25 June 2020
Executive Committee	E/674/20	Emergency Budget 2020/21	21 May 2020
Audit Committee	AUD/106/20	Risk Register 2019/20	27 February 2020
Audit Committee	AUD/104/19	Risk Register 2019/20	19 September 2019
Audit Committee	AUD/101/19	Risk Register 2019/20	20 June 2019
Audit Committee	AUD/97/19	Risk Register 2018/19	14 February 2019
Audit Committee	AUD/94/18	Risk Register 2018/19	20 September 2018
Audit Committee	AUD/90/18	Risk Register 2018/19	21 June 2018
Audit Risk Workshop			07 June 2018

**LIST OF ABBREVIATIONS**

AGC	Annual Governance Statement
LSC	Leisure Service Contract
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

**APPENDICES ATTACHED**

Appendix A	2020/21 Corporate Risk Register – Authority
Appendix B	2020/21 Sub Register LSC retender (SR9)
Appendix C	2020/21 Sub Register Covid 19 Pandemic
Appendix D	Risk Scoring Criteria (extract from the approved risk management strategy (June 2018)).

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STRATEGIC RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers Responsible	Updated Comments 23/10/2020	Updated Comments 29/09/2020						
		Level	Impact	Likelihood	Total Score	Existing Controls	Impact						Likelihood	Total Score				
SR 3	Resources I.T. infrastructure does not meet future business need requirements. Authority requires funding for updating or improving I.T infrastructure	HoT	9	4	38	<p>Existing Controls</p> <ul style="list-style-type: none"> <li>Reports to Members</li> <li>Financial/Legal/Risk Implications fully appraised.</li> <li>Financial Appraisal of schemes in accordance with prudential code.</li> <li>Existing IT Infrastructure budget £100K pa</li> </ul>	<p>Total Score</p>	<p>Impact</p>	<p>Likelihood</p>	<p>Total Score</p>	<p>Impact</p>	<p>Likelihood</p>	<p>Total Score</p>	<p>Support Services Review for new Contract post 2020</p>	30/11/2020	CD	<p>Payroll system implementation underway, delayed by Covid. Now to be completed by Aug 2020.</p> <p>Systems are now fully decoupled from VMware.</p> <p>Finance systems upgraded by start in July 2020.</p> <p>Covid need building for new systems of software from VMware in November 2020.</p> <p>Support Services now in-house. H&amp;LD Strategy drafted as part of 2020-25 business plan. New management structure approved by Executive now operational. Staff although achieve in operation but this will end on 31st October 2020.</p>	<p>Payroll system implementation underway, delayed by Covid. Now to be completed by Aug 2020.</p> <p>Systems are now fully decoupled from VMware.</p> <p>Finance systems upgraded to start in July 2020.</p> <p>Covid need building for new systems of software from VMware in November 2020.</p> <p>Support Services now in-house. H&amp;LD Strategy drafted as part of 2020-25 business plan. New management structure approved by Executive now operational. Staff although achieve in operation but this will end on 31st October 2020.</p>
SR 4	Financial Management Financial Risks of over/under spent budget through non-achievement of income targets or inaccurate budget forecasting. Insufficient Resources to meet objectives	HoF	9	9	81	<p>Existing Controls</p> <ul style="list-style-type: none"> <li>Budget monitoring reports</li> <li>Authority/LSC Contractor (at contract commencement) monitoring Meetings</li> <li>Budget Review 2020/21 complete</li> <li>Medium Term Financial Plan</li> <li>£3-4m Minimum Reserves Policy</li> <li>Statutory Power to Levy</li> <li>Emergency Budget 2020/21</li> </ul>	<p>Total Score</p>	<p>Impact</p>	<p>Likelihood</p>	<p>Total Score</p>	<p>Impact</p>	<p>Likelihood</p>	<p>Total Score</p>	<p>Ongoing budget monitoring &amp; review MTFP in September</p>	Executive Quarterly Monitoring	HoF	<p>Medium Term Financial Plan, key aspects of 2020 business plan all considered as part of Emergency Budget Paper in May. £7m lift on cash reserves. Continued monitoring of income-expenditure with Government in touch asking the Authority to reduce staff costs.</p>	<p>Medium Term Financial Plan, key aspects of 2020 business plan all considered as part of Emergency Budget Paper in May. £7m lift on cash reserves. Continued monitoring of income-expenditure with Government in touch asking the Authority to reduce staff costs.</p>
SR5	Governance & Leadership																	

STRATEGIC RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Updated Comments	Updated Comments
		Impact	Likelihood	Total Score	Impact	Likelihood	Total Score				
	Lack of a clear corporate direction	9	9	81	9	2	18	Set out 2020-2025 Business Plan	23/01/2020	22/10/2020	25/08/2020
	Challenge to Authority's powers to raise the Levy on all constituent councils	9	9	81	9	1	9	Set out 2020-2030 Vision	Quarterly Monitoring 23/01/2020	Ongoing	Ongoing

STRATEGIC RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 22/10/2020	Updated Comments 25/09/2020
		Impact	Likelihood	Total Score	Impact	Likelihood	Total Score					
SR6	Reputation/Communication Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	7	5	35	6	3	18	Regular meetings with venue management team to ensure comms and marketing are aligned with business objectives	Quarterly Monitoring Report	HoC	Comms plans revised to deal with pandemic, venue closures and venue reopening, changes to activities. Main focus on venue promotion, staff concerns and safety arrangements with a particular emphasis on LV WVIC and compliance. Close working with British Cycling on re-opening of LV WVIC with coordination of messages on return of site training. Content web and social updates to promote activities up and running. Support to combat AEB in their spaces including Championshale with other major London parks.	Comms planning completed for the in-boarding of non-LSC venues and temporary in-boarding of the site LSC venues. Plans revised and updated to take account of temporary closures and coronavirus pandemic, and the communications with key stakeholders during this period and into the future. Communications being reformed during the time to support key business requirements and emerging issues - eg re-opening of venues, AEB in open spaces. Events including the BGA Games Britain European Championships cancelled.
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.	8	5	30	5	3	15	Audit Recommendations Implemented Further training and testing. LSC Contractor - Risk Register - alignment to risk and continuity	Quarterly Monitoring	CD	Process in place for 2019/20. Health Safety contract review completed to ensure fit for purpose come April '21 and was revised to reflect the venue coming back in house for an interim period. Business Continuity Policy and associated procedures being updated by officers who feedback from external staff and new tender management structures.	Process in place for 2019/20. Health Safety contract review completed to ensure fit for purpose come April '21 and was revised to reflect the venue coming back in house for an interim period.



STRATEGIC RISK REGISTER AS AT 23 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers Responsible	Updated Comments 22/10/2020	Updated Comments 25/09/2020
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score					
SR3	Major Business Developments Ice Centre Failure in Strategic Risks 1-8 above in the development of the Ice Centre circa £30m project and Legal Challenge	CEO	9	8	72	CEO	9	7	63	<p>Planning Approval Business Plan</p> <p>Design Team Engagement stakeholders/users and local community</p>	08/10/2020	CD	<p>The planning application was approved on 09 October 2020 and is now with the OLA for final sign off. The procurement process for a building contractor is at ITT stage and started on 08 October 2020 and will come back to members in March 2021 for final selection of an approved bidder.</p>	<p>The planning application was submitted in December 2019 and validated in January 2020. The consultation period is now underway and stage 2 procurement of a contractor to build the venue commenced in April and planning is before submission in July 2020.</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	CEO	8	7	56	<p>Planning Approval Business Plan</p> <p>Design Team Engagement stakeholders/users and local community</p>	31/03/2021	DCEO	<p>Site investigations completed. Further discussions with developer and London Borough of Enfield ongoing. Due to the impact of COVID-19 pandemic the project will need to be pushed back to allow additional time for the necessary work to be undertaken.</p>	<p>Site investigations completed. Further discussions with developer and London Borough of Enfield ongoing. Due to the impact of COVID-19 pandemic the project will need to be pushed back to allow additional time for the necessary work to be undertaken.</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	CEO	9	8	54	<p>Tender Evaluation Award of Contract</p>	31/03/2020	CEO	<p>Preferred Contractor selected and approved by Members. Legal challenge to procurement has been withdrawn.</p>	<p>Preferred Contractor selected and approved by Members. Legal challenge to procurement still subject to mediation and potentially court decisions</p>

STRATEGIC RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Owner(s) Responsible	Updated Comments	Updated Comments
		Lead	Impact	Likelihood	Total Score	Lead	Impact	Likelihood	Total Score					
SR10	Implications of implementing Capital & Property Strategy Purchases- Opportunity Cost of Resources, Reducing Available Resources or Increasing future liabilities	DCEO	8	6	48	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	Legal Advice -Park Act Park Act L&P Strategy Land Contamination Strategy Medium Term Financial Plan Land & Property Working Group	Existing Controls	7	2	14	HoP	Updated Comments 22/10/2020	Updated Comments 25/04/2020
		DCEO	8	7	56	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	Legal Advice -Park Act Park Act L&P Strategy Medium Term Financial Plan Land & Property Working Group		8	5	40	HoP	Updated Comments 20/10/2020	All planned 2019/20 disposals completed.
SR11	Impact of Brexit on Authority Failure in Strategic Risk 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	8	63	EC Reports SMT Weekly Meeting Minutes Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	Legal Advice Medium Term Financial Plan General/Capital Reserves Treasury Management Policy Annual Investment Strategy Prudential Code Power to Levy Land & Property Member Group Annual/Triennial pension valuations		6	6	36	DCEO HoP	Updated Comments 22/10/2020	Potential risk needs ongoing monitoring particularly in relation to Finance and future strategic investments, and 3rd party contacts

581

Score 45-81 High Risk  
Score 18-42 Moderate risk  
Score 1- 16 Low risk

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



LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments	Updated Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
SR1	Legal Failure to comply with Public Procurement Regulations	DCEO	7	9	63	5	1	5	Monthly	CD S&L	Members received and approved report on final assessed tenders and appointed highest scorer	Members received and approved report on final assessed tenders and appointed highest scorer
	Process delayed by legal challenge before November 1st 2019	DCEO	7	8	56	9	6	54	Weekly	CD S&L	Preferred Contractor selected and approved by Members. Legal challenge to procurement has been withdrawn and procurement regulations have started to take effect for April 2021 start	Preferred Contractor selected and approved by Members. Legal challenge to procurement has been withdrawn and procurement regulations have started to take effect for April 2021 start

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 22/10/2020	Updated Comments 25/09/2020					
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood						Total Score				
SR2	Contractual New contractual arrangements not in place by 1 April 2020	DCEO	7	8	56	 Existing Controls	<p>Reports to SMT and Members Finance/Legal/Risk Implications fully appraised.</p> <p>Ext Consultants Support</p> <p>In house staff work plans prioritised</p> <p>Project Timetable/Plan</p>	<p>Source of Assurance</p> <p>EA Ext Audit</p> <p>IA Int Audit</p> <p>SMT Sr Mgmt Team</p> <p>RD H&amp;S</p> <p>IM Members</p> <p>BSC H&amp;S</p> <p>LA Legal Advice</p> <p>APMD Asset Mgmt Team</p> <p>EC Ext Consult</p> <p>PR Performance Review</p>	<p>9</p> <p>6</p> <p>54</p>	Treat	Ongoing resources review for contracts Work plan priority	Weekly	CD S&A	<p>Members approved the temporary transfer back in-house due to the legal challenge and until the new contract can be signed. Now the procurement challenge has been dropped by the Trust, the contract fine conditions negotiations have now started with the preferred bidder with a target start date of April 1st 2021.</p>	<p>Members approved the temporary transfer back in-house while legal challenges remain</p>		
	Existing Service deteriorates as current contract nears end causing failure to deliver on agreed objectives, contractual requirements or terminating contract prior to commencement of new contract	HoF	6	6	36		<p>Delivery monitored by Director/Head of Service and performance monitoring team</p> <p>Quarterly Performance Reports to Executive &amp; Scrutiny Committees.</p>	<p>IM Exec Monthly</p> <p>IM Scrutiny 1/4ly</p> <p>IA Audit Plan</p> <p>SMT Weekly Meeting Minutes</p> <p>LA current contract</p>	6	4	24	Treat	Quarterly Contract monitoring. Contractor Service Plan for 2019/20 Agreed	Executive Quarterly Monitoring	HoF	<p>Q4 LSC monitoring report to Executive 25/10/20. Q1 2020/21 LSC monitoring report to Executive 24/9/20.</p>	<p>Q3 LSC monitoring report to Executive 27/2/20. Q4 2020/21 LSC monitoring report due to Executive 25/9/20.</p>
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	DCEO	9	4	36		<p>Advice and support APMD plus external contractors.</p> <p>Quality contractors employed for maintenance through procurement (Price Quality ratio applied).</p> <p>Performance department regular inspections carried out</p>	<p>APMD Annual Inspections</p> <p>PR Monthly Inspections</p> <p>IM Exec Monthly</p> <p>IM Scrutiny 1/4ly</p>	9	3	27	Treat	Ongoing Monitoring Implement pre 2020 condition survey work	Annual/Monthly Inspections & Review.	HoA	<p>Annual Management plan 2019/20 and 2020/21 to address condition survey</p>	<p>Annual Management plan 2019/20 to address condition survey</p>



LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 22/10/2020	Updated Comments 26/06/2020	
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood						Total Score
SR.3	Resources												
	Inadequate I.T: Infrastructure/ Systems/Data for new LSC.	HoF	7	5	35	7	5	35	Review for Procurement process Review for new Contract post 2020	31/03/2020	HoF/Holl	Temporary requirements in place from 1 April 2020. New contractor required to have their own IT Systems in place for start of contract, with focus on PoB and online booking systems. Notification of NPLB circuits and phone	Systems and Licences decoupling completed. Payroll review re post 2020 requirements in place from 1 April 2020. Temporary requirements in place from 1 April 2020
	Inadequate Support Services to mitigate legal challenge during procurement process and to ensure adequate resources for contract mobilisation	HoF	7	6	56	6	1	6	Support Services Review implemented for the time between Nov 2018 to Oct 2019 then post April 1st 2020	31/10/2019	HoF	Support Services Decoupling complete.	Support Services Decoupling complete.

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments 22/10/2020	Updated Comments 25/06/2020
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood					
SR4	Financial Management Financial Risks of contractor failure and Authority to assume control of venues	HoF	9	6	54	9	5	45	31/08/2019	CEO	Members approved the temporary transfer back in-house while legal challenge remains	Members approved the temporary transfer back in-house while legal challenge remains
											Members approved the temporary transfer back in-house while legal challenge remains until the new contract can be signed. Now the procurement challenge has been dropped by the Trust, final contract negotiations have now started with the preferred bidder with a target start date of April	
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	Preferred bidder selected and approved and meets requirements	Preferred bidder selected and approved and meets requirements

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score	Residual Risk Score	Impact	Likelihood	Total Score	Existing Controls	Source of Assurance	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments	Updated Comments	
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	7	5	5	1	5	 External Consultants Employed (SLC) to support in-house legal specialists and Authority SMT Authority Governance structures Authority Legal Team Comms team Internal/External auditors	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	PR/Comms team to manage external communications Employment of Stakeholder engagement consultants	31/05/2019	CD S&L	22/10/2020	Red of Q and position statements written and regularly reviewed to deal with any issues as they arise	25/09/2020
SR7	Business Continuity	7	7	7	7	49	 CD S&L	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Procurement process EA Annual Report re VFM	Tolerate (Treat, further actions needed)				Complete	

LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Lead	Inherent Risk Score	Existing Controls	Residual Risk Score	Impact	Likelihood	Total Score	Color	Direction	Tolerate/Transfer/Treat/Terminate	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Updated Comments	Updated Comments
	Inadequate business continuity implementation during procurement phase and during mobilisation of new contract.	CEO	7	Emergency Action Planning Disaster Recovery Plan Business Interruption Insurance Adequate cover arrangements exist for Senior Management Site DRP & Management Plans Joint Insurance Trust/Authority Training General Reserves H&S Audits Services Decoupling IT/HR/Finance	7	7	49	Red, Yellow, Green, Red	Down, Up, Down, Up	Treat	Audit Recommendations Implemented Further training and testing. Align Contractor Risk Register - to Authority risk register to ensure continuity	Quarterly Monitoring	CO S&L	Authority contract mobilisation team in place work programmes and actions in progress. This is being adjusted based on the decision to bring the venues into houses for a period of time. Although venues back in houses, all currently closed due to Covid-19 pandemic.	Authority contract mobilisation team in place work programmes and actions in progress. This is being adjusted based on the decision to bring the venues into houses for a period of time. Although venues back in houses, all currently closed due to Covid-19 pandemic.	



LEISURE SERVICE CONTRACT SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score	Residual Risk Score	Impact	Likelihood	Total Score	Direction	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Office (s) Responsible	Updated Comments	Updated Comments
	Leisure Services Contract Re-tender Failure to appoint contractor for new Leisure Service Contract.	8	9	High	5	45	↑	Explore setting up a skeleton trust to be established as part of Business Continuity Plan for maintaining services provision.	30/11/2019	CEO	Members approved the temporary transfer back in-house due to the legal challenge and until the new contract can be signed. Now the procurement challenge has been dropped by the Trust, final contract negotiations have now started with the preferred bidder with a target start date of April 2021.	Members approved the temporary transfer back in-house with legal challenge remaining

351

584

- 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"



COVID-19 PANDEMIC SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments	Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	CD (S&L)					
SR2	Contractual Contractors, Governing Bodies not delivering agreed objectives/contract due to limitations imposed by Covid-19 legislation	HoF	7	6	42	7	4	28	<p>Existing Controls</p> <p>Review of all current contracts control processes by a responsible officer. Delivery monitored by Director/Head of Service and monitoring Quarterly Performance Reports to Executive &amp; Scrutiny Committees</p> <p>APMD plus external contractors. Ensure that Contractors apply correct social distancing when attending facilities Facilities to remain mothballed until allowed to re-open</p>	<p>Further Actions Needed to reduce Risk</p> <p>Quarterly Contract monitoring.</p> <p>Executive Quarterly Monitoring</p>	<p>HoF</p> <p>CD (S&amp;L)</p> <p>HoA</p>	<p>Comments</p> <p>22/10/2020</p> <p>LSC Contract delay. G&amp;I contractor amending procedures to continue service. Covid-19 testing centre lease reviews in place and extensions are on going for this.</p>	<p>Comments</p> <p>25/09/2020</p> <p>LSC Contract delay. G&amp;I contractor amending procedures to continue service. Covid-19 testing centre lease in place. Maintenance Performance Guide audits to be reviewed by APMD. IAPG checks part of APMD. Covid-19 compliance tracker (statutory check).</p>	
	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	CD	9	5	45	7	4	28	<p>Existing Controls</p> <p>Advice and support from APMD plus external contractors. Ensure that Contractors apply correct social distancing when attending facilities Facilities to remain mothballed until allowed to re-open</p>	<p>Further Actions Needed to reduce Risk</p> <p>Ongoing Monitoring</p> <p>Monthly Inspections &amp; Review. MPG's checked monthly for completion</p>	<p>HoA</p>	<p>Comments</p> <p>Maintenance Performance Guide audits to be reviewed by APMD. IAPG checks part of APMD. Covid-19 compliance tracker (statutory check).</p>	<p>Comments</p> <p>Maintenance Performance Guide audits to be reviewed by APMD. IAPG checks part of APMD. Covid-19 compliance tracker (statutory check).</p>	



COVID-19 PANDEMIC SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments	Comments
		Lead	Impact	Likelihood	Total Score	Lead	Impact					
SR 3	Resources Inadequate I.T. Infrastructure/ Systems/Data support due to staff shortages imposed by furlough process	CD	8	6	48	7	5	35	Monthly review	HoIT	Authority reviewing furlough processes to enable continuity of IT support, factoring in home working of staff. Furlough schemes ends on 31st October.	Authority reviewing furlough processes to enable continuity of IT support, factoring in home working of staff. Furlough schemes ends on 31st October.
	The Authority have insufficient staff at all levels available to respond to business demands due to furloughing staff	CEO	6	6	64	6	3	18	On-going	CEO/ CD	Furlough scheme ends on 31st October and consideration is given to where possible and where not. Authority re-locating of staff where possible and where not. Authority reviewing furlough processes on an ongoing basis to ensure business continuity is maintained. Flexible furloughing from furlough being utilised where cost effective and necessary. Staff returning from furlough as venues re-open if financially viable.	Furlough scheme ends on 31st October and consideration is given to where possible and where not. Authority re-locating of staff where possible and where not. Authority reviewing furlough processes on an ongoing basis to ensure business continuity is maintained. Flexible furloughing from furlough being utilised where cost effective and necessary. Staff returning from furlough as venues re-open if financially viable.

COVID-19 PANDEMIC SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Further Actions Needed to reduce Risk	Deadline for Completion Actions	Office(s) Responsible	Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood				
SR 4	Financial Management Financial Risks of over/under spent budget through non-achievement of income targets due to closures imposed by Covid-19 pandemic. Insufficient Resources to meet objectives while using financial reserves	HoF	9	9	81	9	8	72	Executive Quarterly Monitoring	HoF	Medium Term Financial Plan, key aspects of 2025 business plan all considered as part of Emergency Budget in May. <b>Close monitoring of budget and reduction in expenditure due to Partridge scheme ongoing.</b>
									Ongoing Monitoring		Medium Term Financial Plan, key aspects of 2025 business plan all considered as part of Emergency Budget in May. <b>Close monitoring of budget and reduction in expenditure due to Partridge scheme ongoing.</b>
SR5	Governance & Leadership Challenge to Authority's powers to raise the Levy on all constituent councils with changes caused by Covid-19 pandemic on their budgets	CEO	9	7	63	9	1	9	Executive Quarterly Monitoring	CEO	Ongoing

COVID-19 PANDEMIC SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Treat/Transfer/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Comments	Comments 25/06/2020			
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood							Total Score		
SR6	Reputation/Communication Impact on Authority's reputation due to service failure caused by Covid-19 pandemic, damaged stakeholder and/or contractor relationships.	HoC	8	6	48	6	3	18	<p>Managed via social media, web and digital updates</p> <p>Media relations</p> <p>Internal communications</p> <p>Utilisation of new technologies</p> <p>Venue communications</p>	<p>SMT Weekly Meeting</p> <p>Venues re-opening group</p> <p>Weekly Meetings</p> <p>M 1/dly Authority Meetings</p> <p>M Exec Monthly</p>	<p>Red</p> <p>Yellow</p> <p>Green</p>	<p>Red</p> <p>Yellow</p> <p>Green</p>	<p>HoC</p>	<p>Quarterly Monitoring Report</p>	<p>Strict prioritisation of Comms work to fit in with recovery plan and focus on revenue generating areas, especially LV WWC and temporary in-house of the six LSC venues. These plans have been revised and updated to deal with Covid19 and its impact internally and externally, and staff wellbeing. Surveys, WhatsApp groups to both furloughed and non-furloughed staff. Rapid reaction to Govt Communications being prioritized during this time to support key business requirements and emerging issues.</p>	<p>Comments 22/10/2020</p> <p>of Comms work to fit in with recovery plan and focus on revenue generating areas, especially LV WWC and temporary in-house of the six LSC venues. These plans have been revised and updated to deal with Covid19 and its impact internally and externally, and staff wellbeing. Surveys, WhatsApp groups to both furloughed and non-furloughed staff. Rapid reaction to Govt Communications being prioritized during this time to support key business requirements and emerging issues.</p>
SR7	Business Continuity															



COVID-19 PANDEMIC SUB RISK REGISTER AS AT 22 OCTOBER 2020

Risk ID	Risk Name	Inherent Risk Score	Existing Controls	Residual Risk Score	Impact	Likelihood	Total Score	Officer(s) Responsible	Comments	Comments
SR0	Major Business Developments Picketts Lock Development Failure in Strategic Risks 1-8 above in the development of the Picketts Lock project caused by impact of Covid-19 restrictions	CEO 8 8	Legal Advice HM Gov Restrictions managed Prudential Code Feasibility Studies Existing PR/Comms Feasibility budget Working with LB Enfield Planning Advice Land & Property Member Group	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	8 7	56	 Total Score: 56 Likelihood: 7 Impact: 8	CEO CD	Site investigations completed. Further discussions with developer and London Borough of Enfield ongoing. Due to the impact of COVID-19 pandemic the project will need to be pushed back here for the necessary work to be undertaken.	Site investigations completed. Further discussions with developer and London Borough of Enfield ongoing.
	Leisure Services Contract Retender Failure in Strategic Risks 1-8 above in the retender of the Leisure Services Contract due to impact of Covid-19 restrictions and potential Legal Challenge from winning bidder on removal of restrictions	CEO 9 7	Legal Advice Procurement Regulations Medium Term Financial Plan Existing PR/Comms Market Engagement & Specification Tender Exercise Completed	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups IA Audit Plan EA -Annual Audit Letter	9 8	72	 Total Score: 72 Likelihood: 8 Impact: 9	CEO CD	Preferred Contractor selected and approved by Members. Legal challenge to the procurement process has been withdrawn and final negotiations have begun.	Preferred Contractor selected and approved by Members. Legal challenge to procurement still subject to court decisions. Possible challenge from winning contractor on continuing closure of facilities due to Covid-19

327

638

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

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

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## 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>
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