



Lee Valley Regional Park Authority
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To: David Andrews (Chairman) Gerry Lyons
Malcolm Cowan John Knapman
Linda Haysey Graham McAndrew
Ross Houston

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

THURSDAY, 24 SEPTEMBER 2015 AT 12:00noon

at which the following business will be transacted:

AGENDA

1 To receive apologies for absence

2 **DECLARATION OF INTERESTS**

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

3 **MINUTES OF LAST MEETING**

To approve the Minutes of the meeting held on 24 June 2015 (copy herewith)

4 **PUBLIC SPEAKING**

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

5 **EXTERNAL AUDITORS' AUDIT RESULTS REPORT
– 2014/15 ACCOUNTS**

Paper AUD/64/15

Presented by Simon Sheldon, Director of Finance & Resources

6 RISK REGISTER 2015/16

Paper AUD/63/15

Presented by Simon Sheldon, Director of Finance & Resources

7 URGENT BUSINESS

Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.

8 EXEMPT ITEMS

Consider passing a resolution based on the principles of Section 100A(4) of the Local Government Act 1972, excluding the public and press from the meeting for the items of business listed on Part II of the Agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those sections of Part I of Schedule 12A of the Act specified beneath each item. (There is no part 2 agenda.)

16 September 2015

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

**AUDIT COMMITTEE MINUTES
25 JUNE 2015**

Members Present: David Andrews (Chairman) Ross Houston
Kathy Bee Graham McAndrew

Apologies Received From: Ricki Gadsby

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

Also Present: Andy Waters and Russell Cavanagh – RD Health & Safety
Kevin Le Roux – Mazars (Internal Auditor)
Rachel Brittain, Debbie Hanson and Florentyne Barrett – Ernst & Young (External Auditors)

Part I

77 DECLARATIONS OF INTEREST

There were no declarations of interest.

78 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 26 February 2015 be approved and signed.

79 PUBLIC SPEAKING

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

80 ANNUAL REPORT ON HEALTH & SAFETY 2014/15 AND AUDIT PLAN 2015/16 Paper AUD/60/15

The report was introduced by Simon Sheldon, Director of Finance & Business Development.

Andy Waters from RD Health & Safety introduced their annual report, key points included:

- The Authority has effective health & safety systems in place, giving reasonable assurance of the work carried out.
- The Authority has received a corporate average score of 93%, which was a 3% increase on last year, but below the target 95%.
- There were 6.2 million visits with only 0.26% of those resulting in an accident or incident; the industry average is 0.3%.
- There were 11 accidents reported which was an increase on last year, largely due to taking on the high risk facilities of the Lee Valley Velodrome and the Lee Valley Hockey & Tennis Centre.
- 28 staff at the Lee Valley Velopark and Lee Valley Hockey & Tennis Centre has received in-house training on event safety.

AUDIT COMMITTEE MINUTES 25 JUNE 2015

- There has been a first aid review at all venues.
- Staff accidents had increased, but were still below the industry standard. Some of the staff accidents had occurred at the Lee Valley White Water Centre, this was due to feet being trapped in the raft 'gutter' or tripping over paddles left on the bank. RD Health & Safety have worked with the Lee Valley White Water Centre to overcome these risks.
- There were 13 new personal injury claims this year, with 6 claims closed in 2014/15, liability successfully denied in 5 cases and one claim settled out of court. Our claims inspector was so impressed by the Authority's procedures that this was relayed to the Authority's underwriters.
- Allianz Risk Surveys found no defects in the Authority's equipment.

The Chairman thanked Andy Waters for his report and for the excellent work that was being done.

The Chairman asked that the lessons learned at the Lee Valley White Water Centre in regards to accidents be fed in to other White Water Centres across the country and raft manufacturers. Andy Waters replied that venues do regularly communicate with each other and that this would be done.

A Member asked if we were likely to achieve the 95% target. Andy Waters replied that he believed it was possible. Another Member asked how many health & safety auditors went around the Authority sites. Russell Cavanagh replied that they liked to use only one auditor to ensure a continuity and consistency.

- (1) the annual report of RD Health & Safety for 2014/15 detailed in Appendix A to Paper AUD/60/15 was noted;
- (2) the Annual Audit Plan for 2015/16, also set out in the Annual Report of RD Health & Safety for 2014/15, detailed in Appendix A to Paper AUD/60/15; and
- (3) the signing of this years' Health & Safety Policy attached as Appendix B to RD Health & Safety's annual report attached at Appendix A to Paper AUD/60/15 was approved.

The Chief Executive informed Members that it was Andy Waters last meeting with the Authority after 10 years of working with us. Whilst he is employed by RD Health & Safety he is considered very much a part of the Lee Valley team, and the good scores we receive for our health & safety are largely down to his hard work, including the 100% satisfaction score given by venue managers for health & safety support.

Andy Waters and Russell Cavanagh left the meeting.

81 ANNUAL REPORT ON THE WORK OF INTERNAL AUDIT
2014/15 AND AUDIT PLAN 2015/16

Paper AUD/61/15

The report was introduced by Simon Sheldon, Director of Finance & Business Development.

Kevin Le Roux from Mazars introduced his report, key points included:

- They can provide Members with substantial assurance that the systems of internal control are in place. There was one limited assurance, which was due to the timing of when the audit was conducted, when the Trust was being set up.
- Mazars had two years implementation of recommendations to do as they weren't done last year. 88% have been either partly or fully implemented. Those that have not been

AUDIT COMMITTEE MINUTES 25 JUNE 2015

implemented are due to the split with the Trust, and will be implemented at an appropriate time.

- They will be looking at 2-3 finance systems each year. This will be on a rolling programme at least every 3 years, with higher risk systems looked at more frequently.

The Chairman asked when testing of servers would take place. The Director of Finance & Business Development replied that segments were tested and restored out of hours.

A Member suggested that the report be redesigned to reflect the split with the Trust.

- (1) the annual report of the Internal Auditors for 2014/15 detailed in Appendix A to Paper AUD/61/15 was noted; and
- (2) the annual Audit Plan for 2015/16 as detailed in Appendix B to Paper AUD/61/15 was approved.

82 EXTERNAL AUDIT 2014/15 – AUDIT PLAN

Paper AUD/58/15

The report was introduced by Simon Sheldon, Director of Finance & Business Development.

Debbie Hanson and Rachel Brittain from Ernst & Young introduced their report, key points included:

- Ernst & Young have changed their approach and are now testing individual transactions.
- They have found 2 significant risks; that of property asset valuations and risk of management override, both risks would have a material impact upon the Authority if they were realised.
- They will be looking at lease arrangements between the Authority and the Trust, there will be no impact on this years' accounts.
- They are still waiting for some additional disclosures, but good progress is being made.

The Chairman asked about the Authority's fraud and whistleblowing policies. The Director of Finance & Business Development replied that all staff received training on-line, with the policies being reviewed every 2-3 years. Staff have a number choices of Directors or auditors that they can go to, we would then involve Mazars who would recommend a course of action.

A Member pointed out that following the split with the Trust, capital and revenue accounting was going to be a tricky area, with capital accounting being more likely to be used by the Authority and revenue accounting with the Trust.

The Chairman suggested that briefing sessions on lessons being learnt from the split with the Trust be arranged for Members of the Audit Committee and Scrutiny Committee.

- (1) the External Auditors' Audit Plan for 2014/15 attached at Appendix A to Paper AUD/58/15; and
- (2) the proposed annual audit fee for 2014/15 as set out in Appendix A to Paper AUD/58/15 on page 12 of their report was noted.

AUDIT COMMITTEE MINUTES 25 JUNE 2015

83 RISK REGISTER 2015/16 Paper AUD/59/15

The report was introduced by Simon Sheldon, Director of Finance & Resources.

A Member suggested that the colour coding on the directional arrows was confusing and might be better left colourless. It was suggested that an additional column be included.

The Chairman suggested that in the future the Risk Register be published with front page giving a brief description of how it works.

- (1) **the revised format and content of the Authority's Strategic Risk Register (including all agreed changes recommended at this Committee meeting) attached at Appendix A (and note Appendix B, the Trust Register) to Paper AUD/59/15 was approved.**

84 UNAUDITED FINAL ACCOUNTS 2014/15 Paper AUD/62/15

The report was introduced by Simon Sheldon, Director of Finance & Resources.

The Chairman requested that all Members be given the opportunity to make comments on the Draft Accounts by 29 June 2015.

- (1) **the draft Annual Governance Statement (attached at Appendix A to Paper AUD/62/15) to be included within the Accounts, subject to any comments received from Members and the Auditors;**
- (2) **that any Member comments/amendments/changes received by 29 June 2015 can be considered and approved by the Chairman of the Audit Committee in consultation with the Director of Finance & Resources and incorporated into the final Draft Accounts presented for external audit was approved; and**
- (3) **that the unaudited Statement of Accounts for 2014/15 summarised in this report (and attached as Appendix B to Paper AUD/62/15) will be signed off by the Director of Finance & Resources by 30 June 2015 was noted.**

Chairman

Date

The meeting started at 12.50pm and ended at 2pm.



LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE

24 SEPTEMBER 2015 AT 12:30

Agenda Item No:

5

Report No:

AUD/64/15

**EXTERNAL AUDITORS' AUDIT RESULTS REPORT
– 2014/15 ACCOUNTS**

Presentation by Director of Finance & Resources

SUMMARY

In June Members of the Audit Committee received a full report on the un-audited accounts (Paper AUD/62/15). This paper presents the external auditors' report to Members (the Audit Results Report (ARR)) following the conclusion of the 2014/15 audit of the Authority's Financial Accounts.

A final unsigned set of accounts are available in the Committee Office for Members to view.

The Audit Results Report is attached as Appendix A to this report. Subject to the satisfactory resolution of any outstanding issues, the auditors intend giving an unqualified opinion. The Audit Results Report (ARR) includes no key recommendations.

Debbie Hanson, Director, and Rachel Brittain, Senior Manager, will be at the meeting to present their report and answer questions as required.

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

RECOMMENDATIONS

- | | | |
|-----------------|-----|--|
| Members Note | (1) | the External Auditors' Audit Results Report for the Authority's 2014/15 Financial Accounts; and |
| Members Approve | (2) | the Chairman of the Audit Committee and the Corporate Director of Finance & Resources sign-off the 2014/15 Annual Accounts and the Letter of Representation (Appendix B to this report). |

BACKGROUND

- 1 The role of the external auditor is to provide an independent assessment of how the Authority is discharging its responsibility for the stewardship of public

money, an audit opinion upon the Authority's financial statements as well as giving a view on proper arrangements within the Authority for securing economy, efficiency and effectiveness in the use of resources. The auditors' conclusions are reported in their ARR which summarises their work and recommendations.

AUDIT RESULTS REPORT 2014/15

- 2 The draft ARR for 2014/15 was received on 16 July 2015. The auditors intend to give an unqualified opinion on the financial statements and conclude that appropriate arrangements are in place in relation to the value for money conclusion. There are no key recommendations for further improvement.
- 3 The objectives of the audit are structured around three main elements as set out below:
 - (i) the audit of financial statements 2014/15;
 - (ii) reporting on an exception basis on the Annual Governance Statement (AGS); and
 - (iii) reporting matters in relation to corporate performance and financial management arrangements for securing economy, efficiency and effectiveness in the use of resources (the Value for Money conclusion).
- 4 The comments made by the Auditor should be viewed in the context of the whole internal control framework. The Authority has robust systems of control verified by Mazar's (the Authority's internal auditors) who review the Authority's core systems. In all cases a substantial assurance was reported to Members in June this year (paper AUD/61/15) for the core systems.
- 5 Further assurance is derived from the External Auditor who has carried out full substantive testing to address the risks identified in the Audit Plan and they have gained the required assurance to mitigate against a material mis-statement in the Authority's financial statements.
- 6 The external auditor has concluded that there are no matters to report.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 9 If Members accept the ARR then the Director of Finance & Resources and the Chairman of the Audit Committee will be required to sign off the accounts and the Letter of Representation.
- 10 The Chairman of this Committee and the Director of Finance & Resources will sign-off the draft accounts, Letter of Representation and the Audit Results

Report with the auditor following this meeting.

- 11 A full set of accounts will be published on the Authority's website when the Audit Director issues her formal opinion and the accounts are signed off.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

Author: Simon Sheldon, 01992 709 859, ssheldon@leevalleypark.org.uk

BACKGROUND REPORTS

Final Accounts Working Files

June 2015

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/62/15	Unaudited Accounts 2014/15	25 June 2015
Audit Committee	AUD/61/15	Annual Report on the Work of Internal Audit 2014/15 & Audit Plan 2015/16	25 June 2015

APPENDICES ATTACHED

Appendix A Audit Results Report
Appendix B Letter of Representation

ABBREVIATIONS

ARR Audit Results Report

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Lee Valley Regional Park Authority

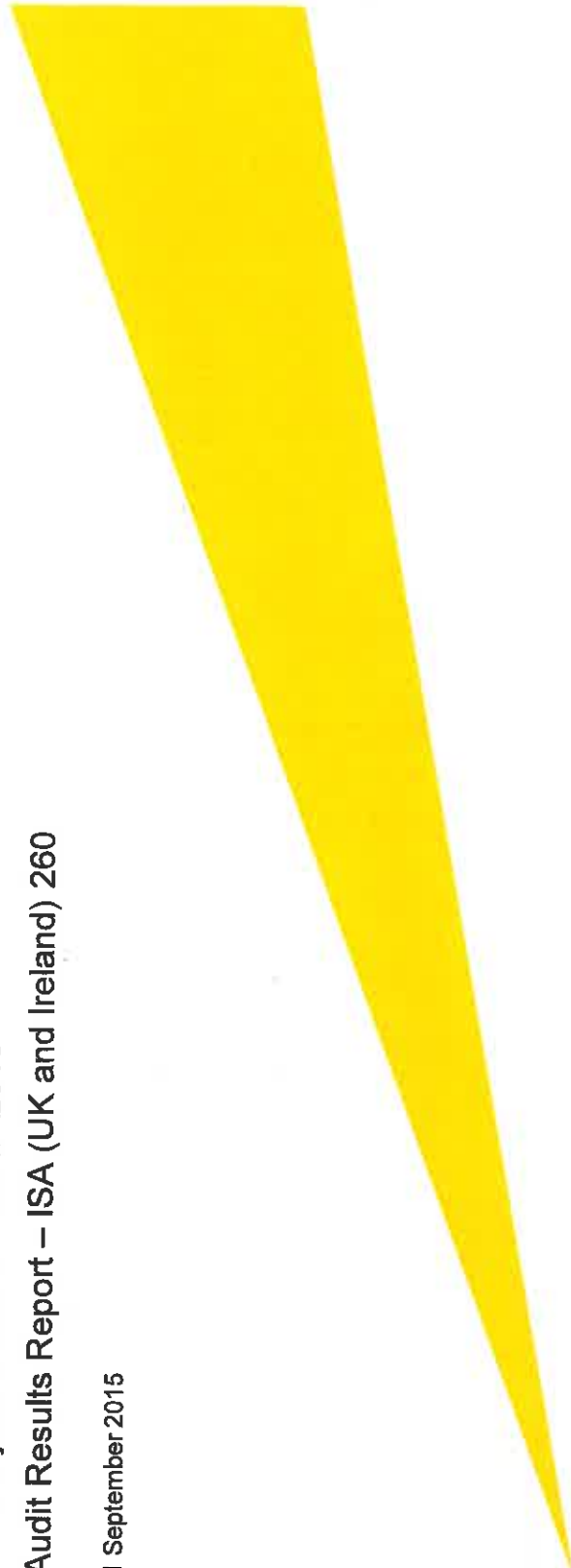
Audit Committee Summary

For the year ended 31 March 2015

Audit Results Report – ISA (UK and Ireland) 260

1 September 2015

6/1



Building a better
working world

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Section 1

Executive summary

Executive summary – key findings

Audit results and other key matters

The Audit Commission's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Audit Committee – on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified. This report summarises the findings from the 2014/2015 audit which is substantially complete. It includes the messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure value for money in your use of resources.

Financial statements

- ▶ As of 1 September 2015, we expect to issue an unqualified opinion on the financial statements. Our audit results demonstrate, through the few matters we have to communicate, that the Authority has prepared its financial statements adequately.

Value for money

- ▶ We expect to conclude that you have made appropriate arrangements to secure economy, efficiency and effectiveness in your use of resources.

Whole of Government Accounts

- ▶ We do not expect to report any significant matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission. The Authority is below the £350 million reporting threshold, therefore we do not need to undertake any procedures on the data collection tool.

Audit certificate

- ▶ The audit certificate is issued to demonstrate that the full requirements of the Audit Commission's Code of Audit Practice have been discharged for the relevant audit year. We expect to issue the audit certificate at the same time as the audit opinion.

Section 2

Extent and purpose of our work

Extent and purpose of our work

The Authority's responsibilities

- ▶ The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Authority reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.
- ▶ The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Purpose of our work

- ▶ Our audit was designed to:
 - ▶ Express an opinion on the 2014/15 financial statements and the consistency of information included in the foreword
 - ▶ Report on an exception basis on the Annual Governance Statement
 - ▶ Consider and report any matters that prevent us being satisfied that the Authority had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the Value for Money conclusion)
 - ▶ Discharge the powers and duties set out in the Audit Commission Act 1998 and the Code of Audit Practice

In addition, this report contains our findings related to the areas of audit emphasis and any views on significant deficiencies in internal control or the Authority's accounting policies and key judgments.

As a component auditor, we also follow the NAO group instructions and report the results on completion of the WGA work through the Assurance Statement to the NAO and to the Authority.

This report is intended solely for the information and use of the Authority. It is not intended to be and should not be used by anyone other than the specified party.

Section 3

Addressing audit risks

Addressing audit risks – significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

A significant audit risk in the context of the audit of the financial statements is an inherent risk with both a higher likelihood of occurrence and a higher magnitude of effect should it occur and which requires special audit consideration. For significant risks, we obtain an understanding of the entity's controls relevant to each risk and assess the design and implementation of the relevant controls.

Audit risk identified within our audit plan	Audit procedures performed	Assurance gained and issues arising
<p>Significant audit risks (including fraud risks)</p>		
<p>Risk of management override</p>		
<p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<p>Our approach focused on:</p> <ul style="list-style-type: none"> ▶ testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; ▶ reviewing accounting estimates for evidence of management bias; ▶ evaluating the business rationale for significant unusual transactions; and ▶ reviewing capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised. 	<p>Subject to satisfactory conclusion of final queries:</p> <ul style="list-style-type: none"> • We did not identify any material errors in our testing of journal entries or accounting estimates. • We did not identify any significant unusual transactions. • We have reviewed a sample of additions on property, plant and equipment and confirmed that the capitalisation is appropriate.
<p>For local authorities and Lee Valley Regional Park Authority, the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override.</p>		
<p>Property valuations (PPE)</p>		
<p>Valuation of property, plant and equipment (PPE) assets and capital expenditure, including deriving the useful lives of assets, are significant accounting estimates that have a material impact on the financial statements. In 2014/15, the Authority will revalue all its Olympic Legacy Assets alongside its annual programme.</p>	<p>Our approach focused on:</p> <ul style="list-style-type: none"> ▶ undertaking procedures to confirm the reliance we can place on management's experts. ▶ assessing the evidence underpinning judgements around any impairment to property plant and equipment assets. ▶ the accounting treatment applied to changes in the valuation of property assets against historic data, and data provided by the Authority's expert valuer ▶ Specific tests of detail to gain assurance over the values used in the financial statements 	<ul style="list-style-type: none"> • We did not identify any material errors in the revaluation figures produced by the valuer and confirmed that an appropriate basis for valuation had been used. • We did not identify any material errors in our testing of the accounting transactions or review of compliance with the CIPFA Code of practice.

Addressing audit risks – other audit risks

We identified the following additional audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified within our audit plan	Audit procedures performed	Assurance gained and issues arising
<p>Other audit risks</p> <p>Group financial statements</p> <p>During 2014/15, the Authority established a Leisure Trust to manage the operation of its assets. Although the Trust only became operational from 1 April 2015, some initial set up transactions have taken place during 2014/15.</p> <p>The Authority has assessed the impact of this new arrangement on its financial statements and concluded that for 2014/15 there is no need to prepare group accounts.</p> <p>We will need to review the Authority's assessment and determine if we agree with the conclusion that group financial reporting is not required</p>	<p>We reviewed the assumptions made by the Authority and conclusions reached against the requirements of IFRS 10: Consolidated Financial Statements, IFRS 11: Joint Arrangements and IFRS 12: Disclosure of interests in other entities.</p>	<p>We concluded that group financial statements are not required for 2014/15.</p>

Section 4

Financial statements audit – issues and findings

Financial statements audit – issues and misstatements arising from the audit

Progress of our audit

- ▶ The following areas of our work programme remain to be completed. We will provide an update of progress at the Audit Committee meeting in September:
 - ▶ Review of accounting policies notes 42 & 43
 - ▶ Testing of income and expenditure transactions
 - ▶ Finalisation of journals testing
 - ▶ Receipt of a Letter of Representation
 - ▶ Completion of Director review and following up review points from both Manager and Director review of the audit work performed
 - ▶ Receipt and checking of final revised statements
 - ▶ Final Director review of the financial statements
- ▶ Subject to the satisfactory resolution of the above items, we propose to issue an unqualified audit report on the financial statements.

Uncorrected misstatements

- ▶ As at 9 September 2015 we have not identified any uncorrected misstatements within the draft financial statements, which management has chosen not to adjust.

Corrected misstatements

- ▶ Our audit identified a small number of misstatements which our team have highlighted to management for amendment. These have been corrected during the course of our work. These are not of a significant nature and we have therefore not reported them to you.

Other matters

- ▶ As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Authority's financial reporting process including the following:
 - ▶ Qualitative aspects of your accounting practices; estimates and disclosures;
 - ▶ Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions;
 - ▶ Any significant difficulties encountered during the audit; and
 - ▶ Other audit matters of governance interest

We have no matters we wish to report.

Financial statements audit – application of materiality

Our application of materiality

- ▶ When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item		Amount (£k)
<p>Planning materiality and tolerable error</p> <p>We determined planning materiality to be £0.757 million which is 2% of gross expenditure reported in the accounts of £36 million consisting of Gross expenditure (cost of services, other operating expenditure and financing expenditure). We consider gross expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Authority.</p> <p>We set a tolerable error for the audit. Tolerable error is the application of planning materiality at the individual account or balance level. It is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds planning materiality. The level of tolerable error drives the extent of detailed audit testing required to support our opinion. We have set tolerable error at the higher level of the available range because there were noted errors reported in the Authority's 2013/14 financial statements.</p>		757
<p>Reporting threshold</p>	<p>We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.037 million</p>	37

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits. Strategy applied: review and test transactions to supporting evidence and approvals
- Member allowances and audit fees: Strategy applied: review and test transactions to supporting evidence and approvals
- Related party transactions. Strategy applied: review disclosure for completeness, testing to supporting evidence

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

Financial statements audit – internal control, written representations and whole of government accounts

Internal control

- ▶ It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.
- ▶ We have not tested the controls of the Authority as we have adopted a fully substantive approach to our audit, as we believe this to be the most efficient approach. We are therefore not expressing an opinion on the overall effectiveness of internal control.
- ▶ We have reviewed the Annual Governance Statement and can confirm that:
 - ▶ It complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
 - ▶ It is consistent with other information that we are aware of from our audit of the financial statements.
- ▶ We have not identified any significant deficiencies in the design of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

Request for written representations

- ▶ We have requested a management representation letter to gain management's confirmation in relation to a number of matters. We have not requested any non-standard representations at this time.

Whole of Government Accounts

- ▶ Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.
- ▶ The Authority is below the £350 million reporting threshold, therefore we are not required to review the data collection tool.

Section 5

Arrangements to secure economy, efficiency and effectiveness

Arrangements to secure economy, efficiency and effectiveness

The Code of Audit Practice (2010) sets out our responsibility to satisfy ourselves that Lee Valley Regional Park Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Authority's corporate performance management and financial management arrangements, we have regard to the following criteria and focus specified by the Audit Commission.

Our approach to the value for money conclusion for Lee Valley Regional Park Authority for 2014/15 focused on:

- Review of the Authority's Annual Governance Statement.
- Considering the work of other relevant regulatory bodies or inspectorates, to consider whether there is any impact on the auditors responsibilities at the Authority.
- Local risk-based work as appropriate, or any work mandated by the Commission. Our assessment of relevant risks were reassessed throughout 2014/15

We have completed our work and expect to conclude that Lee Valley Regional Park Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources

Section 6

Independence and audit fees

Independence and audit fees

Independence

- ▶ We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 24 April 2015.
- ▶ We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Audit Commission's Code and Standing Guidance. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.
- ▶ We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.
- ▶ We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Audit Committee on 24 September 2015.

- ▶ We confirm that we have met the reporting requirements to the Audit Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance. Our communication plan to meet these requirements were set out in our Audit Plan of 24 April 2015.

Audit fees

- ▶ The table below sets out the scale fee and our final proposed audit fees.

	Proposed final fee 2014/2015	Scale fee 2014/2015	Variation comments
Audit Fee: Code work	£ 18,619	£ 18,619	NA

- ▶ Our actual fee is in line with the agreed fee at this point in time, subject to the satisfactory clearance of the outstanding audit work.

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ED None

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ey.com



Debbie Hanson – Audit Director
Government & Public Sector, UK&I Assurance
Ernst & Young LLP
One Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

24 September 2015

Dear Debbie,

Lee Valley Regional Park Authority - Audit for the year ended 31 March 2015

This letter is provided in connection with your audit of the consolidated and parent financial statements of Lee Valley Regional Park Authority for the year ended 31 March 2015. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and parent financial statements give a true and fair view of the financial position of the Authority as at 31 March 2015 and of its income and expenditure for the year then ended in accordance with, for the Group and the Authority, CIPFA LASAAC Code of practice on Local Accounting in the United Kingdom 2014/15.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify – nor necessarily expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves.

A. Financial Statements and Financial Records

I have fulfilled my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position, financial performance and cash flows of the Authority and are free of material misstatements and omissions, for the completeness of the information provided to you, and for making accurate representations to you.

As the responsible officer I have reviewed the accounts, all relevant written assurances relating to the accounts and made other inquiries as appropriate and I have approved the financial statements.

Significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

The Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA Code that is free from material misstatement, whether due to fraud or error.

There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B Fraud

I confirm that I have disclosed:

1. My responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud or error and disclosed the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.
2. My knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements;
3. My knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistle-blowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Authority.

C. Compliance with Laws and Regulations

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance.

D. Information Provided and Completeness of Information and Transactions

I have provided you with:

- Access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
- Additional information requested for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.

I can confirm:

1. That all material transactions have been recorded in the accounting records and are reflected in the financial statements.
2. All minutes of the meetings of the Authority and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 24 September 2015.
3. I confirm the completeness of information provided regarding the identification of related parties. I have disclosed to you the identity of the Authority related parties and all related party relationships and transactions of which you are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended 31 March 2015, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
4. I have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to us and are appropriately reflected in the financial statements.
2. I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. I have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that you have given to third parties.

F. Subsequent Events

1. Other than described in the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Accounting Estimates

1. I believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
2. In respect of accounting estimates recognised or disclosed in the financial statements, I believe the measurement processes, including related assumptions and models, used in determining accounting estimates is appropriate and the application of these processes is consistent.
3. I believe that the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
 - The assumptions I used in making accounting estimates appropriately reflects the intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H. Retirement Benefits

1. On the basis of the process established by ourselves, and having made appropriate enquiries, I am satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with my knowledge of the business. All significant retirement benefits, and all settlements and curtailments have been identified and properly accounted for.

I. Use of Management Experts

1. I agree with the findings of the experts engaged to evaluate the values of the Authority's land and buildings, and have adequately considered the qualifications of the experts in determining the amounts and disclosures included within the Authority's financial statements and underlying accounting records. I did not give or cause any instruction to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and I am not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

Signed on behalf of Lee Valley Regional Park Authority

I confirm that this letter has been discussed and agreed with the Chair of the Audit Committee before the Committee 24 September 2015)

Signed:
Name: Simon Sheldon
Position: Director of Finance & Resources
Date: 24 September 2015.....

Signed:
Name: Councillor David Andrews
Position: Chair of Audit Committee
Date: 24 September 2015.....

Lee Valley Regional Park Authority
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LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE

24 SEPTEMBER 2015 AT 12:30

Agenda Item No:

6

Report No:

AUD/63/15

RISK REGISTER 2015/16

Presented by the Director of Finance & Resources

SUMMARY

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

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

RECOMMENDATION

Members Approve: (1) the Authority's Strategic Risk Register (including all agreed changes recommended at this Committee meeting) attached 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 (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 "The relevant authority must, each financial year –
 - (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) prepare an annual governance statement - This statement must be published together with the statement of accounts and the narrative statement in accordance with Regulation 10.
- 4 Assurance of the Authority's internal control system is derived through the work of the internal audit function (undertaken by Mazars for the Authority); and also through the monitoring of processes put in place by management and other external bodies including those around risk management and health & safety. This provides evidence which allows the Authority to form conclusions on the adequacy and effectiveness of the systems of internal control and also on the efficiency of operations.
- 5 Risk management is not solely a focus on the finances of the Authority. The scope of internal control spans the whole range of the Authority's activities and includes those controls designed to ensure:
 - the Authority's policies are put into practice;
 - the organisation's values are met;
 - laws and regulations are complied with;
 - required processes are adhered to;
 - financial statements and other published information are accurate and reliable; and
 - human, financial and other resources are managed efficiently and effectively.
- 6 The Authority approved a Risk Management Framework in April 2005 (Paper A/3798/05). The Risk Management Framework, and more specifically, the Risk Register, was developed by Members and senior officers under the guidance of the internal auditors through a number of workshops and meetings. Members have regularly reviewed the register at each Audit Committee, adding in their own comments and improvements.
- 7 Since this time Members have consistently (and in depth) reviewed the Corporate Risk Register and revised the strategy, format, and content. The strategy has been revised and updated twice since 2005 at the Audit Committee (20 May 2010, Paper AUD/06/10 and 28 June 2012 Paper AUD/30/12).

REVIEW OF THE STRATEGIC RISK REGISTER

- 8 The current Strategic Risk Register is reviewed by officers and Members on an on-going basis. At the meeting in June (Paper AUD/59/15) Members agreed to refresh and update the corporate Risk Register recognising that many of the previously identified risks had been satisfactorily addressed.
- 9 Members also requested specifically the following amendments to the register. These were:

- to remove the colouring from the directional progress arrows but retain the traffic light system for the residual risk score so that the current position can be easily interpreted. This has now been added/amended in the register;
- to ensure all actions have a relevant end date (even if on-going) supported by the comments column. This has been updated;
- to provide an explanatory forward at the beginning of the register to ease understanding. Appendix A to this report provides this detail.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 12 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.
- 13 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

- 14 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

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

RISK MANAGEMENT IMPLICATIONS

- 16 These are dealt with through the main body of the report and through the revised register. The potential higher risk areas identified within the corporate register relate to land contamination. Continuing mitigation against identified risks has commenced and is demonstrated by the proposed actions in the Strategic Register in Appendix A to this report.

Author: Simon Sheldon, 01992 709 859, ssheldon@leevalleypark.org.uk

BACKGROUND REPORTS

Lee Valley Regional Park Authority Risk Management Strategy June 2012

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/06/10	Risk Register 2009/10	20 May 2010
Audit Committee	AUD/17/11	Risk Register 2010/11	02 March 2011
Audit Committee	AUD/21/11	Risk Register 2011/12	02 June 2011
Audit Committee	AUD/23/11	Risk Register 2011/12	22 September 2011
Audit Committee	AUD/26/12	Risk Register 2011/12	23 February 2012
Audit Committee	AUD/30/12	Risk Register 2012/13	28 June 2012
Audit Committee	AUD/34/12	Risk Register 2012/13	20 September 2012
Audit Committee	AUD/38/13	Risk Register 2012/13	28 February 2013
Audit Committee	AUD/40/13	Risk Register 2013/14	20 June 2014
Audit Committee	AUD/44/13	Risk Register 2013/14	26 September 2014
Audit Committee	AUD/46/14	Risk Register 2013/14	27 February 2014
Audit Committee	AUD/50/14	Risk Register 2014/15	19 June 2014
Audit Committee	AUD/54/14	Risk Register 2014/15	25 September 2014
Audit Committee	AUD/57/15	Risk Register 2014/15	26 February 2015
Audit Committee	AUD/59/15	Risk Register 2015/16	25 June 2015

APPENDICES ATTACHED

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

Definitions

The following key terms are used within the Risk Register

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

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

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

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

Likelihood = the estimated chance of a risk being realised.

Impact = the potential consequences if a risk is realised.

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

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

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

Treat	Controls are put in place to help reduce the likelihood of a risk being realised.
Transfer	Action is taken to transfer the potential impact to another party, e.g. through an insurance arrangement.
Terminate	A decision is made to end the area of activity with which the activity is associated.
Tolerate	A decision is made to accept the current level of exposure without taking any further action.

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

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

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

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

Comments = officer comments updating against progress against the action and the deadline

Risk Appetite and Scoring Criteria

Risks are assessed using a 1-9 scale for both impact and likelihood. The Authority’s risk appetite is then defined using the scoring matrix below.

Impact	9	9	18	27	36	45	54	63	72	81
	8	8	16	24	32	40	48	56	64	72
	7	7	14	21	28	35	42	49	56	63
	6	6	12	18	24	30	36	42	48	54
	5	5	10	15	20	25	30	35	40	45
	4	4	8	12	16	20	24	28	32	36
	3	3	6	9	12	15	18	21	24	27
	2	2	4	6	8	10	12	14	16	18
	1	1	2	3	4	5	6	7	8	9
		1	2	3	4	5	6	7	8	9

Likelihood

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

Key

- Score 45-81 High Risk
- Score 9-48 Moderate risk
- Score 1- 18 Low risk



Whilst the assessment remains subjective, the following criteria serve as a guide and are used to help ensure consistency in scoring across each of the risks identified.

Appendix A to Paper AUD/63/15

	Impact	Likelihood
1	No impact	<1% likely to occur in next 12 months
2	Financial loss up to £1,000 or no impact outside single objective or no adverse publicity	1%-5% likely to occur in next 12 months
3	Financial loss between £1,000 and £5,000 or no impact outside single objective or no adverse publicity	5%-10% likely to occur in next 12 months
4	Financial loss between £5,000 and £20,000 or minor regulatory consequence or some impact on other objectives	10%-20% likely to occur in next 12 months
5	Financial loss between £20,000 and £50,000 or impact on other objectives or local adverse publicity or strong regulatory criticism	20%-30% likely to occur in next 12 months
6	Financial loss between £50,000 to £250,000 or impact on many other processes or local adverse publicity or regulatory sanctions (such as intervention, public interest reports)	30%-40% likely to occur in next 12 months
7	Financial loss between £250,000 to £500,000 or impact on strategic level objectives or national adverse publicity or strong regulatory sanctions	40%-60% likely to occur in next 12 months
8	Financial loss between £500,000 to £1 million or impact at strategic level or national adverse publicity or Central Government take over administration	60%-80% likely to occur in next 12 months
9	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months

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AUTHORITY STRATEGIC RISK REGISTER AS AT 24 SEPTEMBER 2015

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Existing Controls	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source Of Assurance	24/9/15 Comments	25/6/15 Comments
		Lead	Impact	Likelihood	Total Score	Likelihood	Impact										
SR1	Legal																
	Failure to comply with the 1966 Park Act and other statutory requirements.	DCS	8	7	56	6	2	12			Provision of Legal Services Member scrutiny through Authority & Committee meetings Annual Governance statement Park Act Awareness covered by inductions for new staff.	Continue Induction Process and monitoring of statutory changes	Quarterly	DCS	External Audit Internal Audit Senior Management	Ongoing monitoring.	Ongoing
	Failure to comply with Health & Safety legislation	DFR	9	6	54	7	2	14			Health and Safety management H&S manual (procedures) regularly reviewed by RDHS who monitor up and coming legislation Policy Updated	Complete Risk Reduction Plan External H&S Assessment.	01/03/2016	DFR	Senior management Members	External Audit by British Safety Council to be completed by 1 March 2016	Ongoing
SR2	Confidential																
	Agreeing to accept a partners' financial terms and conditions that will place an unacceptable long term contingent liability on the Authority	DFR	9	4	36	8	2	16			Reports to SMT and Members Financial/Legal/Risk Implications fully appraised. Financial Appraisal of schemes in accordance with prudential code.	Ongoing resources review for specific projects	31/12/2015	DCS/DFR	Internal Audit External Audit	Sport England / English Hockey LFA Terms & Conditions	Completed. Resources reviewed as part of initial budget process
	Contractors, Governing Bodies, or Trust not delivering agreed objectives	DFR	7	6	42	6	4	24			All contracts reviewed prior to commencement by a responsible officer. Delivery monitored by Director/Head of Service	Quarterly Contract monitoring.	Executive Quarterly Monitoring	HSL	Senior Management and Members	Quarterly Performance Data monitored by Seniority	Ongoing
	Failure to deliver the LVRPA management contract to the required specification including breach in SE Funding Agreements LVWWC, VeloPark, LVH+TC	DFR	9	4	36	8	2	16			Monitored as part of Trust contract monitoring	No further action	Executive Quarterly Monitoring	HSL	Senior management Internal Audit	Funding Agreements reviewed six monthly Oct & March between officers & SE.	Ongoing
											Advice and support AMPD plus	Ongoing Monitoring	Annual Inspection & Review	AMPD	Internal Audit Senior Management	APMD Undertake annual reviews of MPG's at venues to ensure compliance	Define responsibility in Trust & Authority for management

AUTHORITY STRATEGIC RISK REGISTER AS AT 24 SEPTEMBER 2015

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 of Actions	Officer(s) Responsible	Source of Assurance	Comments	Comments					
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood								Total Score				
SR3: Resources																			
	IT infrastructure does not meet future business need requirements. Authority reduces or lacks funding for updating or improving IT infrastructure.	DFR	9	4	36		Reports to Members Financial/Legal/Risk Implications fully appraised. Financial Appraisal of schemes in accordance with prudential code. Existing IT Infrastructure budget £140K pa	8	3	24			Treat	Budget resources review for new projects	01/04/2017	DFR	Senior Management Internal Audit/External Audit	IT Infrastructure Review to commence December 2015	IT Infrastructure Review to commence December 2015
SR4: Financial Management																			
	The Authority fails to attract and retain staff at all levels of the appropriate calibre	CEO	8	8	64		Reward & Recognition Training & development framework Management Away Days Staff presentations Internal/External communications	4	5	20			Treat	Implement "learning" strategy Regular adverts and communication. Exit interview Review Employer of choice Review of benefits	31/03/2016	DFR	Senior Management/ Members	Future staff benefits, rewards, recognition review ensuring pay/terms and conditions fit for purpose.	The leadership management programme is underway Staff benefits review to commence in the summer
	Financial Risks of unresourced legacy costs through non-achievement of income targets by Trust or inaccurate budget forecasting	DFR	9	9	81		Budget monitoring reports Authority/Trust monitoring Meetings Joint Chairs Meeting	9	4	36			Treat	Budget Review 2016/17	31/12/2015	DFR	Senior management Members	2016/17 Budget Review by December 2015	2016/17 Budget Review by December
	Ensure Adequate Funding for Both Organisation	DFR	9	9	81		Current Financial Plan 2015/16 Existing Budget Process Mandatory Rate relief achieved	9	4	36			Treat	Budget Review 2016/17	21/01/2016	DFR	SMT Members	2016/17 Budget Approved by full Authority	2015/16 Budget process complete
SR5: Governance & Leadership																			
	Lack of a clear corporate direction	CEO	9	9	81		Authority meetings SMT	9	4	36			Treat	Revised Business Planning and Vision alignment by end of 2015	31/12/2015	CEO	Senior Management Members External Audit	Business Plan under review to support 2016/17 budget process.	Review of Business Plan

AUTHORITY STRATEGIC RISK REGISTER AS AT 24 SEPTEMBER 2015

Risk ID	Risk Name	Inherent Risk Score				Residual Risk Score				Total Score	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officers Responsible	Source of Assurance	24/9/15 Comments	25/6/15 Comments
		Lead	Impact	Likelihood	Total Score	Impact	Likelihood	Total Score	↑ ↓ ↔								
	Challenge to the Levy resulting in non-payment	CEO	9	9	81	9	2	18	↑	Treat	Revise Business Plan Budget/Levy Strategy 2016/17	31/12/2015	DFR	Senior Management Members	2016/17 Budget/Levy Approved by full Authority	2016/17 Budget Review by December	
SR6	Reputation/Communication																
	Impact on Authority if Trust Venues do not have a strong reputation	HC	7	5	35	6	4	24	↑	Treat	Regular client meetings	Quarterly Monitoring Report	HC	Senior Management/ Members Stakeholder Perception KPI	Monitor continued positive media coverage & stakeholder feedback. Plus Quarterly Monitoring	Monitor continue positive media coverage & stakeholder feedback.	
	Reputational Enhancement or Damage due to success or failure of Olympics Legacy	CEO	8	5	40	7	4	28	↑	Treat	Ongoing management and monitoring	Monthly	HC	Senior management Members	Monitor continued positive media coverage & stakeholder feedback. Inputting into wider policy debate on legacy	Monitor continue positive media coverage & stakeholder feedback. Inputting into wider policy debate on legacy	
	Reputational Enhancement or Damage due to success or failure of stakeholder relationships	HC	9	3	27	6	3	18	↑	Treat	Ongoing engagement at local, regional and national level	Ongoing	HC	Senior management Members Stakeholder Perception KPI	6 Local Authorities to LY VeloPark schools festival. Invites to recent major events at LY Venues	Booked series of visits plus invitations and communication	

AUTHORITY STRATEGIC RISK REGISTER AS AT 24 SEPTEMBER 2015

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 of Actions	Officer(s) Responsible	Source of Assurance	Comments	Comments
		Lead	Impact	Likelihood	Total Score	Existing Controls	Impact							
	Failure to deliver major events in partnership with Governing Bodies/LVLT	HSL	7	5	35	Strategic and Operation meetings pre and post events LVIPA and NGBs Events fit with business plans Adequate time and resource agreed and allocated	6	5	30	Partner Working with Trust. Events Strategy	30/11/2015	Senior management Members Stakeholder Perception (P)	Current Events Programme being delivered. Euro Hockey and World Championship Create Events strategy going forward.	Current Events programme. New Events strategy going forward
SR7	Business Continuity													
	Inadequate business continuity implementation at any (all) sites	DFR	6	5	30	Draft IT Disaster Recovery Plan Business Interruption Insurance Adequate Cover arrangements exist for Senior Management Site Management Plans	5	3	15	Audit Recommendations completed. Further training and testing	31/12/2015	External Audit Internal Audit Senior Management	Finalise DRP Audit recommendations completed. New Business Continuity Training day	Further disaster Recovery Training Day. Full Restore Back-up test
SR8	Environmental Management													
	Failure to manage contamination could be a risk to users, this includes land and/or water contamination (also damage to reputation from failing to manage contamination)	DCS	9	9	81	Site investigations carried out prior to developments & land remediated. Site investigations carried out on some other sites. Some sites monitored. Sites closed to public access where contamination is significant. Contaminated Land Policy Member Task & Finish group Completion of Contaminated Land Strategy & Policy	7	5	35	Consultant Site Investigations work to be completed.	30/11/2015	Senior Management/ Members	Report back from Consultants at end of September and reported to T&FG by end of November	A number of sites have exploratory works being undertaken following the recommendation of the T&FG to Executive. The results will be reviewed by the T&FG.
	Veterinary Disease outbreak affecting Farms business (e.g. avian flu, Foot and Mouth)	DCS	6	6	36	Emergency Action Planning Insurance Funds General Reserves	5	3	15	Annual Insurance Renewal	30/09/2015	Internal Audit Senior management	Annual Insurance Renewal to be Completed.	Insurance in place

AUTHORITY STRATEGIC RISK REGISTER AS AT 24 SEPTEMBER 2015

Risk ID	Risk Name	Inherent Risk Score			Residual Risk Score			Total Score	Likelihood	Impact	Existing Controls	Tolerate/Transfer/Treat/Terminate (if Treat, further actions needed)	Further Actions Needed to reduce Risk	Deadline for Completion Actions	Officer(s) Responsible	Source of Assurance	24/915 Comments	25/6/15 Comments
		Lead	Impact	Likelihood	Lead	Impact	Likelihood											
	Disease outbreak affecting human health	DFR	9	2	18	8	2	16	↓ ↑ ↔	↑ ↔	None	Quarterly inspections	Internal Audit Senior management	Quarterly inspections of the delivery of E. Coli control measures conducted by H&S Officer at the farms.	Quarterly inspections of the delivery of E. Coli control measures conducted by H&S Officer at the farms.	25/6/15 Comments		
	Flood risk	DCS	7	5	35	6	5	30	↑	↑	Audit Recommendations completed. Further training and testing	31/12/2015	HP	Internal Audit Senior management	Finalise DRP Audit recommendations completed. New Business Continuity Training day	Further disaster Recovery Training Day.		
	Environment damage/disaster to buildings/ programme/events	DCS	7	5	35	6	5	30	↑	↑	Audit Recommendations completed. Further training and testing	31/12/2015	AMPD	H+S Senior management	Finalise DRP Audit recommendations completed. New Business Continuity Training day	Further disaster Recovery Training Day.		

Key

- Score 45-81 High Risk
- Score 9-48 Moderate risk
- Score 1- 18 Low risk

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

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