

RISK REGISTER 2023/24

Presented by the Corporate Director (S&L)

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 February 2024 (Paper AUD/144/24) Members approved the updated risk management strategy and corporate risk register and made a recommendation to create a separate Risk relating to Buckingham Group Contracting Ltd.

As part of the Risk process, officers have identified two Risks for removal from the register and two new Risks to be added. There have also been some minor updates to risk descriptions to ensure they are current and relevant. These have been added/removed in the Risk Register report and the overall score has been affected as a result.

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.

RECOMMENDATIONS

- | | | |
|-----------------|-----|--|
| Members Approve | (1) | the Corporate Risk Register included at Appendix A to this report; and |
| Members Note | (2) | the removal of two Risks (SR4.3 & SR9.1) from the register; and |
| | (3) | the addition of two Risks (SR2.9 & SR4.4) to the register. |

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:

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

In this context "relevant authority" includes the Lee Valley Regional Park Authority.

3. Each financial year the relevant authority must:

- conduct a review of the effectiveness of the system of internal control required by regulation 3; and
- 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 was reviewed by

officers and Members as part of a Risk Management Workshop and was formally approved by the Audit Committee in June 2018 (Paper AUD/90/18). Subsequent to this workshop, a further workshop was held in March 2022 and an invitation to attend was extended to all Members and the strategy, format and content was reviewed again and was formally approved by the Audit Committee in June 2022 (Paper AUD/126/22).

REVIEW OF THE STRATEGIC RISK REGISTER

8. The current Strategic Risk Register is reviewed by officers and Members on an on-going basis and signed off at each Audit Committee.
9. Members last considered the risk register at the Audit Committee in February 2024 (Paper AUD/144/24).
10. Since the February Committee, officers have incorporated approved Member revisions, reviewed the register, considered and added potential new risks, updated the scoring and removed two risks. A summary of updates on Risks can be found in Appendix B to this report.
11. Two new Risks have been added to the register under:
 - SR2 Contractual (SR2.9 - Buckingham Group Contracting Ltd (BGCL) insolvency results in unexpected costs / operational issues for the Authority that would otherwise have fallen to BGCL to meet / resolve. This was originally part of Risk SR2.4 but was deemed significant enough to have its own Risk) and;
 - SR4 Financial (SR4.4 - Failing of and health management of ageing tree stock)
12. Two Risks have been removed from the register:
 - SR4 Financial (SR4.3 - Failure of Greenwich Leisure Ltd (GLL) to achieve 90% of income target in Year 1, resulting in renegotiation of Year 2 Management Fee); and
 - SR9 Business Development – Lee Valley Ice Centre. Failure in Strategic Risks 1-8 above in the development of Lee Valley Ice Centre circa £30m project and legal challenge. Lee Valley Ice Centre not operational at agreed date.
13. Minor amendments have been made to SR2.4, SR3.2 and SR6.2 to ensure they are current and relevant (see Appendix B to this report for detailed information).
14. The table below sets out the movement in managing the residual risks and sets out a summary of the total notional score.

15.

Risk	Residual Risks							
	24 Feb 2022	24 June 2022	22 Sept 2022	23 Feb 2023	22 June 2023	21 Sept 2023	29 Feb 2024	20 June 2024
	0	0	1	1	1	1	1	1
	15	18	21	17	16	15	16	16
	8	8	10	12	13	12	12	14
Total Risks	23	26	32	30	30	28	29	31
Notional Score	512	591	759	665	638	596	609	595

16. The key point to note since the last review of the Authority's Strategic Risk Register is that despite the addition of two new risks, the overall Risk Register residual notional score has decreased. This is due to the removal of two risks (SR4.3 &

SR9.1) from the register and reduced scores for Risks SR2.4 and SR3.2 following officer reviews.

17. The specific changes to scores are outlined in the following table with the changes to score from the previous paper and the reason for change outlined.

Risk I.D.	Previous Impact Score	Previous Likelihood Score	Total Score	New Impact Score	New Likelihood Score	New Total Score	Change In Score +/-
SR2.4	8	9	72	8	4	32	-40
SR2.9	N/A	N/A	N/A	8	7	56	+56
SR3.2	5	2	10	5	1	5	-5
SR4.3	7	1	7	0	0	0	-7
SR4.4	N/A	N/A	N/A	3	2	6	+6
SR9.1	6	4	24	0	0	0	-24
						Total	-14

18. Reasons for movements

SR2.4 - The previously high-risk score was due to BGCL going into administration. A new Risk ID has been created to manage this risk separately, therefore reducing the overall risk score.

SR2.9 - Is a new Risk created to manage BGCL going into administration.

SR3.2 - GLL are now self-reliant and have been running on their own systems for 2 years without issue. The likelihood risk score has therefore been reduced to 1 as a result.

SR4.3 - This risk has been removed as it refers to GLL achieving income in year 1 of the contract and renegotiating year 2. GLL are now in year 3 of the contract meaning this risk is no longer relevant.

SR4.4 - Is a new Risk that has been added following a recent tree survey which has identified a potentially significant financial risk over the next 5-10 years in regards to maintaining the trees in the Park due to their age.

SR9.1 - This risk has been removed as it refers to the development of Lee Valley Ice Centre and the risk of a legal challenge. As Lee Valley Ice centre has been open for almost a year now, the risk is no longer relevant.

19. Ongoing review of all major projects

BGCL gave notice of intention to appoint administrators on 17 August 2023 which was then extended on 31 August 2023. This is not causing any operational issues as the building is complete. There is, however, a snagging list, which BGCL had previously been working through, but has not been fully completed. This is progressing well on site and is anticipated to be completed by the summer. The Authority holds retention money and has all sub-contractor warranties in place and the project is therefore in a good overall position despite the administration issue.

20. Regarding the Leisure Services Contract (LSC) and the Authority's tariff risk for utilities, the 2024/25 budget is sufficient for current levels of consumption at known prices to October 2023. Consumption has been reduced through more efficient management practices and the initial LED investment at Lee Valley VeloPark. Further consumption reductions from LEDs at Lee Valley Hockey & Tennis Centre,

Lee Valley Athletics Centre, Lee Valley White Water Centre and Lee Valley Riding Centre will further mitigate this risk.

21. Decisions taken to mitigate these risks will be approved by full Authority and monitoring of these risks is taking place at Executive Committee, along with the Senior Management Team and Heads of Service level.
22. Any recommendations made by Mazars following their Risk Management audit will form part of the annual review produced by Mazars.
23. A verbal update will be presented at the meeting to advise Members regarding the changes to the register which are in red font to indicate changes since the last Audit Committee risk register paper.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

26. 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.
27. 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.
28. Utility costs are a significant risk that will have a material impact on the Authority's revenue outturn position. Officers will continue to monitor the tariff forecasts from Laser.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

31. These are dealt with through the main body of the report and through the revised register. Continuing mitigation against these identified risks is demonstrated by the

proposed actions in the Strategic Risk Register as set out in Appendix A to this report.

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BACKGROUND REPORTS

Lee Valley Regional Park Authority Risk Management Strategy June 2018

APPENDICES ATTACHED

Appendix A 2024/25 Corporate Risk Register – Authority
 Appendix B Risk Register updates
 Appendix C Risk Scoring Criteria (extract from the approved risk management strategy (June 2022))

ABBREVIATIONS

BGCL Buckingham Group Contracting Ltd
 LSC Leisure Services Contract
 GLL Greenwich Leisure Ltd

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/144/24	Risk Register 2023/24	29 February 2024
Audit Committee	AUD/138/23	Risk Register 2023/24	21 September 2023
Audit Committee	AUD/132/23	Risk Register 2023/24	23 June 2023
Audit Committee	AUD/131/23	Risk Register 2022/23	23 February 2023
Audit Committee	AUD/129/22	Risk Register 2022/23	22 September 2022
Audit Committee	AUD/126/22	Risk Register 2021/22	23 June 2022
Risk Management Workshop			24 March 2022
Audit Committee	AUD/124/22	Risk Register 2021/22	24 February 2022
Audit Committee	AUD/123/21	Risk Register 2021/22	23 September 2021
Audit Committee	AUD/118/21	Risk Register 2020/21	24 June 2021
Audit Committee	AUD/116/21	Risk Register 2020/21	25 February 2021
Audit Committee	AUD/113/20	Risk Register 2020/21	22 October 2020
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 Risk Workshop			07 June 2018

SRI Legal		Operational Risk Score		Financial Risk Score		Reputational Risk Score		Overall Risk Score		Risk Rating	
Code	Category	Description	Impact	Frequency	Severity	Control	Score	Score	Score	Score	Rating
SRI.1	DCEO	Failure to comply with the 1966 Park Act, data protection law and other statutory requirements.	Member scrutiny through Authority & Committee meetings Annual Governance statement Park Act Awareness covered by inductions for new staff	8	7	56	6	1	6	6	↔
SRI.2	CD	Failure to comply with Health & Safety legislation	Health and Safety management H&S manual (procedures) regularly reviewed by PDHS who monitor up and coming legislation. H&S Policy Updated annually Risk Reduction Plan complete. External H&S Assessment 5* Annual Report to Audit	9	6	54	7	2	14	7	↔
<p>Notes: EA - Annual Audit Letter IA - Audit Plan SMT - Weekly Meeting Minutes M - Exec Monthly RD/SMT - 1/4ly Reports BSC - 3 yr. ext. review RD - Annual Audits M - Year Report</p>											

SR2 Contractual		Operational Risk Score		Financial Risk Score		Reputational Risk Score		Overall Risk Score		Risk Rating	
Code	Category	Description	Impact	Frequency	Severity	Control	Score	Score	Score	Score	Rating
SR2.1	HOE	Agreeing to accept a partner's financial terms and conditions that will place an unacceptable long term liability on the Authority	Reports to SMT and Members Financial/Legal/Risk implications fully appraised. Financial Appraisal of schemes in accordance with prudential code.	9	4	36	8	2	16	8	↔
SR2.2	CD	Contractors, Governing Bodies, or Third Party Operator not delivering agreed objectives/contract	All contracts reviewed prior to commencement by a responsible officer. Delivery monitored by Director/Head of Service and performance monitoring team Quarterly Performance Reports to the Board & SMT Advice and support APMD plus external contractors.	7	5	35	6	2	12	6	↔
SR2.3	CD	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	Advice and support APMD plus external contractors. Quality contractors employed for maintenance through procurement (Price Quality ratio applied)	9	4	36	7	1	7	7	>
SR2.4	CD/HOE	Contractor stability affected by external influences or national/international conditions prevailing at the time	Reports to SMT and Members. Financial/Legal/Risk implications fully appraised. Financial Appraisal of schemes in accordance with prudential code.	9	8	72	8	4	32	8	>
SR2.5	CD	Insufficient contractors tendering for contracts	Reports to SMT Financial/Legal/Risk Implications fully appraised. Appraisal of procurement process.	4	5	20	5	3	15	5	>
SR2.6	CD	Major equipment or other failure at one or more venues resulting in temporary/permanent cessation of operations	Reports to SMT Financial/Legal/Risk Implications fully appraised. Application of Business Continuity protocols.	9	6	54	7	3	21	7	>
SR2.7	CD	Failure of LSC contractor organisation or failure of LSC contractor to deliver as required by contract	Reports to SMT Financial/Legal/Risk Implications fully appraised. Application of Business Continuity protocols.	9	8	72	5	4	20	5	>
SR2.8	DCEO	Management of Facilities Contracts & failure to maintain assets to a good H&S and operational standard	Advice and support APMD plus external contractors. Quality contractors employed for maintenance through procurement (Price Quality ratio applied). Performance department regular inspections carried out	M	9	4	36	5	3	15	>
SR2.9	CD/HOE	Buckingham Construction insolvency results in unexpected costs / operational issues for the Authority that would otherwise have fallen to Buckingham to meet / resolve.	Reports to SMT and Members. Financial/Legal/Risk Implications fully appraised. Financial Appraisal of schemes in accordance with prudential code.	9	8	72	8	7	56	8	>
<p>Notes: M - Exec Monthly SMT - 1/4ly Reports M - Scrutiny 1/4ly APMD - Annual Inspections PR - Monthly Inspections M - Exec Monthly Scrutiny 1/4ly M - Exec Monthly M - Scrutiny 1/4ly</p>											

Strategic Risk Register - June 2024

Strategic Risk		Impact		Likelihood		Risk Score		Mitigation		Residual Risk Score		Frequency		Status			
ID	Owner	Impact	Frequency	Impact	Frequency	Score	Weight	Impact	Frequency	Score	Weight	Start	End	Priority	Review		
SR3.1	HoT CD HoT	IT Infrastructure does not meet future business requirements. Authority requires funding for updating or improving IT Infrastructure	9	4	36	8	3	24	>	9	4	36	8	3	24	>	1/03/2025
SR3.2	HoT CD HoT	Inadequate IT Infrastructure/ Systems/Data to operate LSC venues IT Infrastructure upgrade comes from Capital budget	7	5	35	5	1	5	<>	7	5	35	5	1	5	<>	On-going
SR3.3	CEO HoR	The Authority fails to recruit/retain staff at all levels of the appropriate culture	8	8	64	6	6	36	<>	8	8	64	6	6	36	<>	On-going

SR4 Financial Management

Strategic Risk		Impact		Likelihood		Risk Score		Mitigation		Residual Risk Score		Frequency		Status			
ID	Owner	Impact	Frequency	Impact	Frequency	Score	Weight	Impact	Frequency	Score	Weight	Start	End	Priority	Review		
SR4.1	HoF	Financial risks of over/under spent budget through non-achievement of income targets or inaccurate budget forecasting. Insufficient Resources to meet objectives	9	7	63	8	4	32	>	9	7	63	8	4	32	>	Executive Quarterly Monitoring
SR4.2	HoF	Financial risks of either greatly increased insurance costs or insurers refusal to insure Authority due to increased risk brought on by prevailing conditions	9	7	63	8	3	24	>	9	7	63	8	3	24	>	Executive Quarterly Monitoring
SR4.3	HoF	Failure of GLL to achieve 50% of income target in Year 1, resulting in renegotiation of Year 2 MF	0	0	0	0	0	0	<>	0	0	0	0	0	0	<>	Quarterly Monitoring
SR4.4	HoOS	Falling of and health management of ageing tree stock	6	4	24	3	2	6	<>	6	4	24	3	2	6	<>	Quarterly Monitoring

SR5 Governance & Leadership

Strategic Risk		Impact		Likelihood		Risk Score		Mitigation		Residual Risk Score		Frequency		Status			
ID	Owner	Impact	Frequency	Impact	Frequency	Score	Weight	Impact	Frequency	Score	Weight	Start	End	Priority	Review		
SR5.1	CEO	Lack of a clear corporate direction	9	7	63	9	2	18	<>	9	7	63	9	2	18	<>	On-going
SR5.2	CEO	Impact on the Authority's powers to raise the Levy with resistance from many constituent councils.	9	7	63	9	1	9	<>	9	7	63	9	1	9	<>	Quarterly Monitoring
SR5.3	HoF	Failure for 2021/22 and 2022/23 accounts to have joint audit assurance	7	7	49	4	6	24	>	7	7	49	4	6	24	>	Quarterly Monitoring

SR6 Reputation/Communication

SR#	Category	Impact	Current Risk Score	Target Risk Score	Residual Risk Score	Frequency	Owner	Responsible	Start Date	End Date	Notes
SR6.1	HoC	Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	7	5	35	6	3	18	>		<p>Venue and service communication plans. Proactive marketing, media relations, speaker engagement and stakeholder engagement.</p> <p>Managed via social media, web and digital updates, Media relations, internal communications, Utilisation of new technologies, Venue communications</p> <p>SMT Weekly Meeting M 1/Ally Authority Meetings M Exec Monthly Stakeholder Meetings</p> <p>Venue re-opening group Weekly Meetings M 1/Ally Authority Meetings M Exec Monthly</p>
SR6.2	HoC	Impact on Authority's reputation due to service failure caused by pandemic or infectious disease, damaged stakeholder and/or contractor relationships.	8	5	40	6	3	18	>		<p>Regular meetings with Authority business owners and GL marketing team to plan and coordinate activity</p> <p>Social media, digital communications, web updates and media relations proactively explaining our position as a result of any Government announcements on Covid19 or other communicative infectious disease and our key business activities such as staged reopening of venues.</p> <p>Ensuring all aspects of customer, partner, club and MGB communications are carried out</p> <p>Strong liaison with venues, open spaces and other parts of the Authority affected by key business objectives</p> <p>Continuing to ensure comms work aligns with regular and extensive internal comms utilising technologies such as video conferencing, group chats to keep all staff, furloughed and working engaged and involved.</p>

SR7 Business Continuity

SR#	Category	Impact	Current Risk Score	Target Risk Score	Residual Risk Score	Frequency	Owner	Responsible	Start Date	End Date	Notes
SR7.1	CEO	Inadequate business continuity implementation at any/all sites following natural disaster, IT failure including Cyber Terrorism, Flooding, Disease Outbreak (animals/humans), Terrorism.	6	5	30	5	4	20	>		<p>Emergency Action Planning IT Disaster Recovery Plan Business Interruption Insurance Adequate Cover arrangements exist for Senior Management Site DRP & Management Plans Mint LSC Contractor/Authority Training Insurance Policies/Funds General Reserves H&S Audits Working with EA/CNT and other Local Authorities</p> <p>EA - Annual Audit Letter IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly</p>
SR7.2	CEO	Inadequate pandemic or infectious disease management processes in place park wide following major pandemic outbreak/further spikes in Covid-19 or other infectious disease and more restrictions including local fire restrictions and national lockdowns	9	7	63	6	6	36	>		<p>Pandemic Planning Procedure Emergency Pandemic Protocols IT Operational Procedures</p> <p>RD/SMT 1/Ally Reports RD Annual Review Pandemic Procedures IA Audit Plan SMT Weekly Meeting Minutes M Exec Monthly</p>

SR8 Environmental Management

SR#	Category	Impact	Current Risk Score	Target Risk Score	Residual Risk Score	Frequency	Owner	Responsible	Start Date	End Date	Notes
SR8.1	DCEO	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)	9	7	63	7	2	14	<>		<p>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 Consultant Site Investigations work completed.</p> <p>M 1/Ally Authority Meetings M Working Groups Exec Monthly SMT Weekly Meeting Minutes</p>

Strategic Risk Register - June 2024

SR9 Major Business Developments

Item ID	Category	Strategic Area	Risk Description	Impact	Probability	Frequency	Current Risk Score	Residual Risk Score	Control Measures	Review Date
SR9.1	CEO	CO (S&L)	Ice Centres. Failure in Strategic risks 1-3 above in the development of the Ice Centre circa £30m project and Legal Challenge.	0	0	0	0	0	This risk has been removed as it refers to the development of Ice Centre and the risk of a legal challenge. As the Ice Centre has been open for almost a year now, the risk is no longer relevant.	31/09/2025
SR9.2	CEO	DCO	Picketts Lock Development. Failure in Strategic risks 1-4 above in the development of the Picketts Lock circa £60m project and Legal Challenge	8	8	64	7	35	Legal Advice Prudential Code Feasibility Studies Scoping PM/Comms Feasibility budget Working with LS Enfield Planning Advice	Treat

SR10 Implications of Implementing Land & Property Strategy

Item ID	Category	Strategic Area	Risk Description	Impact	Probability	Frequency	Current Risk Score	Residual Risk Score	Control Measures	Review Date
SR10.1	DCO	HoP	Acquisitions- Opportunity Cost of Resources. Reducing Available Resources or Increasing future liabilities	8	6	48	4	8	Legal Advice - Park Act Park Act L&P Strategy Land Contamination Strategy Medium Term Financial Plan Land & Property Working Group	Treat
SR10.2	DCO	HoP	Disposals - Legal challenge, reputational damage, reduced public access or the diversity. Failure to deliver anticipated capital resources through land disposal due to the constraints imposed by the Aparian borough/districts and other agencies, e.g. green belt/food risk/contaminated land	8	7	56	6	18	Legal Advice - Park Act Park Act L&P Strategy Medium Term Financial Plan Land & Property Working Group	Treat

SR11 Impact of Brexit on Authority

Item ID	Category	Strategic Area	Risk Description	Impact	Probability	Frequency	Current Risk Score	Residual Risk Score	Control Measures	Review Date
SR11.1	CEO	DCO/ HoP	Failure in Strategic Risks 1-10 above due to changes in the Economic and Business climate brought about by changes following the departure from the European Union	7	9	63	6	36	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/Interimial valuation valuations	Treat

Risk Register updates

Risk ID	Updates
SR2.4	This risk has been rescored following the removal of the risk associated with Buckingham Group Contracting Ltd. A new risk (SR2.9) has been created to assess the Risk of Buckingham Group Contracting Ltd.
SR2.9	This is a new Risk related specifically to Buckingham Group Contracting Ltd in response to feedback from Members at the last Audit meeting. Risk SR2.4 score was being adversely affected due to Buckingham Group Contracting Ltd going into administration and as this posed a significant risk in itself was deemed necessary to create a risk specially for it.
SR3.2	This risk has be updated to remove the words 'for new LSC' as the LSC contract is now in year 3 and not considered new. The risk now reads as 'Inadequate I.T Infrastructure/ Systems/Data to operate LSC venues' Following changes made to the phone system changeover and the length of time that GLL have been using their IT Systems, the likelihood score has been reduced from 2 to 1.
SR4.3	This risk has been removed as it refers to GLL achieving income in year 1 of the contract and renegotiating year 2. GLL are now in year 3 of the contract meaning this risk is no longer relevant.
SR4.4	A new risk raised by the Head of Parklands based on outcomes from annual tree survey which have identified a significant number of trees within the Park that are reaching a size and age where they may require more intensive management to prolong their natural decline, maintain a health specimen or in some cases felling completely. This is a continuing process as the trees around the park mature and reach the end of their natural life and where controlled decay is required.
SR6.2	This risk has been updated to remove the word 'Covid-19' as it no longer relevant.
SR9.1	This risk has been removed as it refers to the development of Lee Valley Ice Centre and the risk of a legal challenge. As Lee Valley Ice Centre has been open for almost a year now, the risk is no longer relevant.

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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.

	Impact	Likelihood
1	No impact	<1% likely to occur in next 12 months
2	Financial loss up to £1,000 or no impact outside single objective or no adverse publicity	1%-5% likely to occur in next 12 months
3	Financial loss between £1,000 and £10,000 or no impact outside single objective or no adverse publicity	5%-10% likely to occur in next 12 months
4	Financial loss between £10,000 and £25,000 or minor regulatory consequence or some impact on other objectives	10%-20% likely to occur in next 12 months
5	Financial loss between £25,000 and £50,000 or impact on other objectives or local adverse publicity or strong regulatory criticism	20%-30% likely to occur in next 12 months
6	Financial loss between £50,000 to £250,000 or impact on many other processes or local adverse publicity or regulatory sanctions (such as intervention, public interest reports)	30%-40% likely to occur in next 12 months
7	Financial loss between £250,000 to 500,000 or impact on strategic level objectives or national adverse publicity or strong regulatory sanctions	40%-60% likely to occur in next 12 months
8	Financial loss between £500,000 to £1 million or impact at strategic level or national adverse publicity or Central Government take over administration	60%-80% likely to occur in next 12 months
9	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months