

## **APPENDIX A**

**Risk Assessment June 2013**

## Risk Management: Scenario

Risk No.	Risk Type:	Vulnerability:	Risk:	Consequences:
1.	Strategic	§ Ability to fulfill the objects of the Charity.	§ Failure to fulfill objects.	§ Intervention by the Charity Commission. § Forfeiture of lease to Cobtree Charity Trust Limited.
2.	Governance	§ Appropriateness of decisions.	§ Conflict of interest with role of local authority.	§ Intervention by the Charity Commission. § Forfeiture of lease to Cobtree Charity Trust Limited.
3.	Operational	§ Contractor(s) performance of services.	§ Contractor defaults on the contract. § Inadequate staff resources. § Major breach of safety regulations/site not safe to allow public access.	§ Reduced visitor numbers. § Claims for compensation. § Long term damage to course. § Inability to maintain levels of service.
4.	Financial	§ Level of financial resources to maintain services.	§ Reduced income from golf course. § Reduced income from investments. § Adequacy of monitoring procedures. § Inability to pay back reserves.	§ Reduced investment in buildings and infrastructure. § Reduced endowment fund.
5.	External	§ Public perception of service provision. § Climatic conditions.	§ Poor or inappropriate publicity. § Extreme conditions leading to loss of play.	§ Reduced visitor numbers and revenue. § Increased vandalism and miss-use of facilities.
6.	Legal	§ Compliance with requirements of the Charity Commission. § Compliance with requirements of the lease.	§ Conflict of interest with role of local authority. § Failure to comply with requirements of lease.	§ Intervention by the Charity Commission. § Forfeiture of lease to Cobtree Charity Trust Limited. § Claims for compensation.

**Risk Management – Risk Profile Assessment**

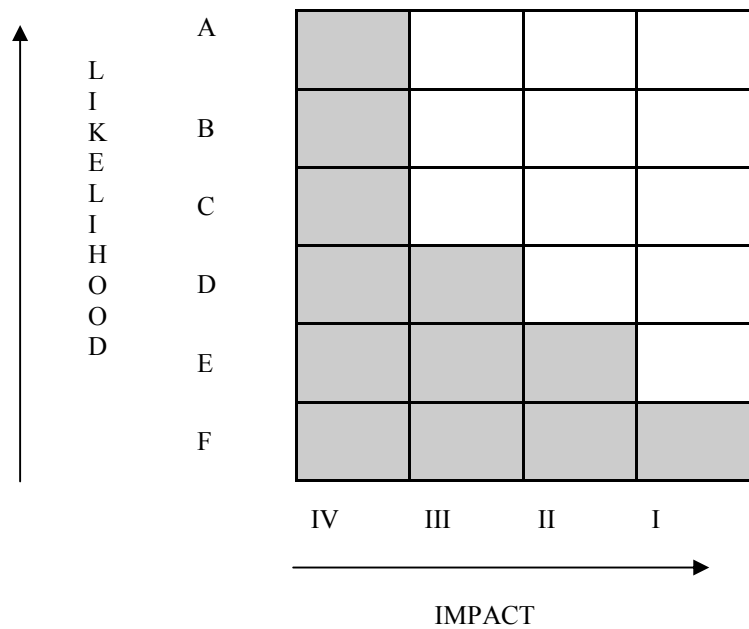
The risks have been mapped against a typical appetite for risk. The Assessment has been prepared in the context of the Charity's key objectives; with the risks, at this stage, having not been mitigated.

The **vertical axis** shows the **likelihood** of an occurrence:

A = very high; B = high; C = Significant; D = low; E = very Low and F = almost impossible

The **horizontal axis** shows **impact** of an occurrence:

I = catastrophic; II = critical; III = marginal and IV = negligible



Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
1.	Failure to fulfill the objects of the Charity.	E.I	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Requirement to consider objects when preparing reports for Committee.	§ Do not provide an audit trail.	§ Specific reference to charitable objects in all reports.	§ Cobtree Officer/ officers submitting reports.	§ Reference included in all reports.	§ Each meeting of the Committee.	§ Committee meeting dates.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
2.	Conflict of interest with the role of the local authority.	D.II	F.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Specific Committee to consider Cobtree issues in detail.	§ Gives clear focus to Cobtree issues.	§ Reinforce separation whenever possible.	§ Cobtree Officer/ Council officers/ Members.	§ Separation acknowledged and reinforced.	§ Annually.	§ June/July.
§ Memorandum prepared and distributed to all Members and Senior Officers.	§ Reminds all Members and Officers to bear in mind special circumstances applying to Cobtree.	§ Reinforce separation whenever possible.	§ Cobtree Officer/ Council officers/ Members.	§ Separation acknowledged and reinforced.	§ Annually.	§ June/July.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3a.	Contractor defaults on the contract.	D.II	E.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
<ul style="list-style-type: none"> <li>§ Regular review meetings to develop partnership working and early identification of problems.</li> </ul>	<ul style="list-style-type: none"> <li>§ Ensures sensitivity to, and understanding of, operating environment.</li> <li>§ Ensure controls relate to all contracts, not just the golf course</li> </ul>	<ul style="list-style-type: none"> <li>§ Continue with regular meetings.</li> <li>§ Begin meetings with other contractors where necessary</li> <li>§ Identify appropriate action to be taken in the course of a contractor defaulting.</li> </ul>	<ul style="list-style-type: none"> <li>§ Contract monitoring Officer/ partnership Board.</li> <li>§ Cobtree Officer to identify contractors or areas requiring additional monitoring and appropriate actions</li> </ul>	<ul style="list-style-type: none"> <li>§ Contractor performing to contract specification profitably.</li> </ul>	<ul style="list-style-type: none"> <li>§ Quarterly.</li> </ul>	<ul style="list-style-type: none"> <li>§ January, April, July and October.</li> </ul>

Risk Management: Action Plan

<b>Risk No.</b>	<b>Description:</b>	<b>Current Risk Score</b>	<b>Target Risk Score</b>
3b	Inadequate staff resources provided by contractor.	D.II	E.III

<b>Controls already in place</b>	<b>Adequacy of controls</b>	<b>Required action</b>	<b>Responsibility</b>	<b>Critical success factors</b>	<b>Review period</b>	<b>Key dates</b>
§ Regular review meetings to develop positive working relationship and early identification of problems.	§ Ensures sensitivity to, and understanding of, operating environment.	§ Continue with regular meetings.	§ Contract monitoring Officer/ partnership Board. § Cobtree Officer	§ Contractors staffing levels to required standard to meet customer expectations. § Ensuring management plan objectives are met.	§ Quarterly.	§ January, April, July and October.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3c.	Major breach in safety regulations site or area not safe to allow public access.	D.II	F.II

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
<ul style="list-style-type: none"> <li>§ Regular meetings to monitor contractor performance.</li> <li>§ Visual inspection by contract operatives as they carry out their duties.</li> <li>§ Written weekly and monthly inspection of play equipment</li> <li>§ Annual external insurance inspection for play equipment</li> </ul>	<ul style="list-style-type: none"> <li>§ Safety concerns discussed during partnership meetings.</li> <li>§ Individual risk assessments for all activities.</li> <li>§ Relies on contractor staff.</li> <li>§ All equipment to meet BS standards and be independently inspected by Rospa inspector prior to use.</li> </ul>	<ul style="list-style-type: none"> <li>§ Reinforce safety concerns at partnership meetings.</li> <li>§ Regular review of risk assessments.</li> <li>§ Regular inspections by monitoring staff.</li> <li>§ Operational concerns to be dealt with immediately by Parks Department</li> <li>§ Incidents monitored and recorded.</li> </ul>	<ul style="list-style-type: none"> <li>§ Contract Monitoring Officers/ Partnership Board.</li> <li>§ Contractor/ Contract Monitoring Officers.</li> <li>§ Cobtree officer/ Council Officers.</li> </ul>	<ul style="list-style-type: none"> <li>§ No breaches in safety occur.</li> <li>§ Risks managed appropriately.</li> <li>§ No unsafe situations arise.</li> </ul>	<ul style="list-style-type: none"> <li>§ Quarterly.</li> <li>§ Annually.</li> <li>§ Quarterly.</li> </ul>	<ul style="list-style-type: none"> <li>§ January, April, July and October.</li> <li>§ March.</li> <li>§ January, April, July and October.</li> </ul>



Risk Management: Action Plan

<b>Risk No.</b>	<b>Description:</b>	<b>Current Risk Score</b>	<b>Target Risk Score</b>
3d.	Contractor receiving reduced income from Golf Course.	D.II	E.III

<b>Controls already in place</b>	<b>Adequacy of controls</b>	<b>Required action</b>	<b>Responsibility</b>	<b>Critical success factors</b>	<b>Review period</b>	<b>Key dates</b>
§ Receive regular income reports from contractor.	§ Relies on contractor information.	§ Regular income reports to meetings of the Partnership Board.	§ Contract Monitoring Officer/ Partnership Board.	§ Income maintained at projected levels.	§ Quarterly.	§ On-going.

<b>Risk No.</b>	<b>Description:</b>	<b>Current Risk Score</b>	<b>Target Risk Score</b>
3e.	Contractor failing to renew Golf Course contract with minimal notice or offering reduced income to CMET.	C.II	E.III

<b>Controls already in place</b>	<b>Adequacy of controls</b>	<b>Required action</b>	<b>Responsibility</b>	<b>Critical success factors</b>	<b>Review period</b>	<b>Key dates</b>
§ Undertake regular meetings with contractor.	§ Relies on contractor information.	§ Regular information on contract renewal to be taken to meetings of the Partnership Board. § Planning for reduced finances to be included in future financial planning.	§ Parks and Leisure Manager/Cobtree Officer. § Senior accountant.	§ Contract renewed or sufficient notice given to enable re-tender. § Financial planning to ensure reduced income will not have a significant effect on the charity. § Maximization of other income to mitigate against risk.	§ Quarterly.	§ On-going.

<b>Risk No.</b>	<b>Description:</b>	<b>Current Risk Score</b>	<b>Target Risk Score</b>
3f.	Continuum Museum of Kent Life ceases to operate on behalf of Museum of Kent Life Trust and Kent County Council.	B.II	D.III

<b>Controls already in place</b>	<b>Adequacy of controls</b>	<b>Required action</b>	<b>Responsibility</b>	<b>Critical success factors</b>	<b>Review period</b>	<b>Key dates</b>
§ Ongoing Liaison with KCC and Continuum MKL.	§ Relies on third parties to provide and negotiate on a service. § Collapse of existing leases will result in return of the land asset to CMET with no operator.	§ Ongoing discussions. § Plan way forward should discussions fail.	§ Assistant Director of Planning Change and the Environment. § Parks and Leisure Manager. § Cobtree Officer § Senior Solicitor and Senior accountant	§ Any change of operator is managed in such a way as to not put the charity at risk.	§ Quarterly.	§ Quarterly.

Risk Management: Action Plan

<b>Risk No.</b>	<b>Description:</b>	<b>Current Risk Score</b>	<b>Target Risk Score</b>
4a.	Reduced income from investments.	E.III	F.IV

<b>Controls already in place</b>	<b>Adequacy of controls</b>	<b>Required action</b>	<b>Responsibility</b>	<b>Critical success factors</b>	<b>Review period</b>	<b>Key dates</b>
§ Investments with Chari-Fund.	§ Low risk option.	§ Monitor performance of Fund.	§ Corporate Finance Officer.	§ Good return on investments.	§ Annually.	§ March.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
4b.	Adequacy of monitoring procedures.	C.II	E.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Regular monitoring of service standards and audit of customer survey responses.	§ Service standards maintained as per the contract.	§ Balance monitoring effort to level of risk.	§ Contract monitoring Officer/ Partnership Board.	§ Required customer satisfaction scores.	§ Quarterly.	§ On-going.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
4c.	Tenants defaulting on rental payments	E.III	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Legally binding lease agreement permitting legal action to be taken if arrears accrue.	§ Fully drafted lease	§ Monitor rental income receipts.	§ Corporate Finance and Property and procurement Officers.	§ Rent paid up to date	§ Quarterly.	§ Jan 1 <sup>st</sup> , April 1 <sup>st</sup> , July 1 <sup>st</sup> , October 1 <sup>st</sup>

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
5a.	Poor or inappropriate publicity.	D.III	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Newsletters are checked by the Cobtree Officer and the Communications team before going out. § Newspaper articles are monitored by the communications team.	§ Publicity is managed where necessary.	§ Regular reporting of any known incidents or unwanted activities.	§ Contractor operatives/ contract monitoring officer/ Cobtree Officer.	§ No negative reports in the press or media. § Dealing with incidents as quickly as possible.	§ When required.	§ On-going.

Risk Management: Action Plan

<b>Risk No.</b>	<b>Description:</b>	<b>Current Risk Score</b>	<b>Target Risk Score</b>
5b.	Extreme climatic conditions.	B.II	D.III

<b>Controls already in place</b>	<b>Adequacy of controls</b>	<b>Required action</b>	<b>Responsibility</b>	<b>Critical success factors</b>	<b>Review period</b>	<b>Key dates</b>
§ Golf course closure procedure.	§ Minimises unnecessary wear and tear of greens and tees.	§ On-going review in response to anticipated threat.	§ Contractor/ Contract Monitoring Officer.	§ Minimal impact on course playability.	§ On-going.	§ On-going.
§ Enhanced maintenance operations.	§ Minimizes unnecessary wear and tear of greens and tees and park.	§ On-going review in response to anticipated threat.	§ Contractor/ Contract Monitoring Officer.	§ Minimal impact on course playability and park usage.	§ On-going.	§ On-going.

Risk Management: Action Plan

<b>Risk No.</b>	<b>Description:</b>	<b>Current Risk Score</b>	<b>Target Risk Score</b>
6a.	Conflict of interest with role of local authority.	C.II	F.IV

<b>Controls already in place</b>	<b>Adequacy of controls</b>	<b>Required action</b>	<b>Responsibility</b>	<b>Critical success factors</b>	<b>Review period</b>	<b>Key dates</b>
§ Separate Committee to consider items in detail.	§ Ensures a clear focus on Charity issues.	§ Need to reinforce to both Members and Officers the clear distinction between local authority and Charity issues.	§ Cobtree Officer/Senior Solicitor/Committee Members.	§ No blurring between the respective roles of the Council acting as local authority and as Charity.	§ On-going.	On-going.
§ Appointment of Cobtree Officer.	§ Provides clear separation of officer roles.	§ Reinforce independency of role.	§ Committee.	§ No blurring between the respective roles of the Council acting as local authority and as Charity.	§ Annually	December.



Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
6b.	Failure to comply with the requirements of the lease.	E.II	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Lease requirements included as appropriate in reports.	§ Gives focus to property matters.	§ Review of Asset Management Plan.	§ Cobtree Officer § Contract monitoring officer § Property section.	§ Compliance with requirements of lease.	§ Annual.	§ July.