

APPENDIX A

Risk Assessment July 2014

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 income from golf course. § Reduced surplus at Kent Life. § Failure to re lease golf course and Kent Life at end of existing leases.	§ Reduced visitor numbers. § Claims for compensation. § Long term damage to course. § Inability to maintain levels of service. § Difficulty in re-tendering site in its present state. § Significant income pressure on charity. § Requirement for charity to operate sites itself. § Reduced income threatening remainder of charity's activities.
4.	Financial	§ Level of financial resources to maintain services.	§ Reduced income from investments. § Adequacy of monitoring procedures. § Inability to pay back reserves.	§ Potential for sites to become derelict. § 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 misuse 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

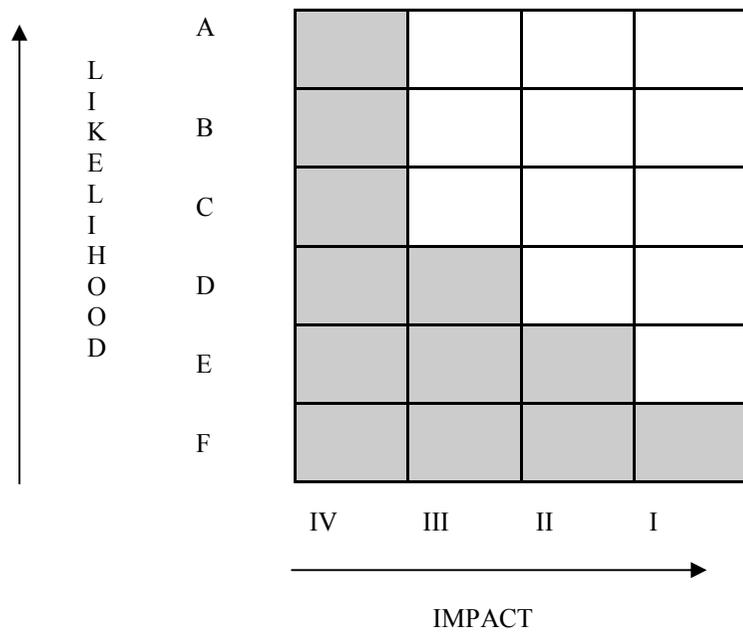
The risks have been mapped against a typical appetite for risk. The Assessment has been prepared in the context of the Charity's key objectives; with the risks, at this stage, having not been mitigated.

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 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 (Golf Course, Kent Life, Maidstone Borough Services)	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"> § Regular review meetings to develop partnership working and early identification of problems. 	<ul style="list-style-type: none"> § Ensures sensitivity to, and understanding of, operating environment. § Ensure controls relate to all contracts. 	<ul style="list-style-type: none"> § Continue with regular meetings. § Begin meetings with other contractors where necessary. § Identify appropriate action to be taken in the course of a contractor defaulting. § Ensure controls are adequate and instigate remedial action where insufficient. 	<ul style="list-style-type: none"> § Contract monitoring Officer/ partnership Board/Parks Technical Officer/Parks and Leisure Services Manager. § Cobtree Officer to identify contractors or areas requiring additional monitoring and appropriate actions 	<ul style="list-style-type: none"> § Contractor performing to contract specification. Profitably. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § January, April, July and October.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3b	Inadequate staff resources provided by contractor.	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"> § Regular review meetings to develop positive working relationship and early identification of problems. 	<ul style="list-style-type: none"> § Ensures sensitivity to, and understanding of, operating environment. 	<ul style="list-style-type: none"> § Continue with regular meetings. 	<ul style="list-style-type: none"> § Contract monitoring Officer/ partnership Board/Parks Technical Officer. § Cobtree Officer. 	<ul style="list-style-type: none"> § Contractors staffing levels to required standard to meet customer expectations. § Ensuring management plan objectives are met. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § 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"> § Regular meetings to monitor contractor performance. 	<ul style="list-style-type: none"> § Safety concerns discussed during partnership meetings. 	<ul style="list-style-type: none"> § Reinforce safety concerns at partnership meetings. 	<ul style="list-style-type: none"> § Contract Monitoring Officers/ Partnership Board. 	<ul style="list-style-type: none"> § No breaches in safety occur. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § January, April, July and October.
	<ul style="list-style-type: none"> § Individual risk assessments for all activities. 	<ul style="list-style-type: none"> § Regular review of risk assessments. 	<ul style="list-style-type: none"> § Contractor/ Contract Monitoring Officers/ parks Technical Officer. 	<ul style="list-style-type: none"> § Risks managed appropriately. 	<ul style="list-style-type: none"> § Annually. 	<ul style="list-style-type: none"> § March.
<ul style="list-style-type: none"> § Visual inspection by contract operatives as they carry out their duties. § Written weekly and monthly inspection of play equipment § Annual external insurance inspection for play equipment 	<ul style="list-style-type: none"> § Relies on contractor staff. § All equipment to meet BS standards and be independently inspected by Rospa inspector prior to use. 	<ul style="list-style-type: none"> § Regular inspections by monitoring staff. § Operational concerns to be dealt with immediately by Parks Department § Incidents monitored and recorded. 	<ul style="list-style-type: none"> § Cobtree officer/ Council Officers. 	<ul style="list-style-type: none"> § No unsafe situations arise. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § January, April, July and October.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3d.	Contractor receiving reduced income from Golf Course, charity receiving less income following re-tender.	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"> § Receive regular income reports from contractor. § Investigating re-tender using a leisure consultant to advise on suitable models. 	<ul style="list-style-type: none"> § Relies on contractor information. § Relies on advice from consultant. 	<ul style="list-style-type: none"> § Regular income reports to meetings of the Partnership Board. § Ensure re-tender allows contractors to invest for the longer term and to have flexibility in the use of the site. § Ensure a strategy is set up for successful re-tender. 	<ul style="list-style-type: none"> § Contract Monitoring Officer/ Partnership Board/parks and Leisure manager. 	<ul style="list-style-type: none"> § Income maintained at projected levels. § Ability to allow contractor to diversify and invest over the long term. § Importance of being able to be flexible with future offer. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § On-going.

Risk No.	Description:	Current Risk Score	Target Risk Score
3e.	Contractor failing to be appointed to golf course contract ready for the end of the current lease.	AI	CII

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
<ul style="list-style-type: none"> § Current extension to the beginning of January 2015. 	<ul style="list-style-type: none"> § This may be insufficient time to allow for re-tender as process has taken longer than anticipated. 	<ul style="list-style-type: none"> § Gain accurate picture of time needed a followed by extension of exiting lease. § Ensure re-tender is prioritized. § Contact contractor to discuss possibility of further extension. 	<ul style="list-style-type: none"> § Parks and Leisure Services Manager. 	<ul style="list-style-type: none"> § Income maintained at projected levels. § Golf course continuing to operate. 	<ul style="list-style-type: none"> § Monthly. 	<ul style="list-style-type: none"> § On-going. § Jan 2015

Risk No.	Description:	Current Risk Score	Target Risk Score
3f.	Failure to gain an operator to run Kent Life in time for end of present lease.	DIII	EI

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
<ul style="list-style-type: none"> § Current lease to November 2015. 	<ul style="list-style-type: none"> § Re-tender process has to be addressed urgently to allow for as much time as possible. 	<ul style="list-style-type: none"> § Gain accurate picture of time needed. § Ensure re-tender is prioritized. § Gain advice on alternative ways of operating to ensure the best possible contract is let to ensure the continuing success of the site. 	<ul style="list-style-type: none"> § Parks and Leisure Services Manager. 	<ul style="list-style-type: none"> § Re-tender in time for the end of existing lease. § Allowing sufficient flexibility in contract for fresh ideas to flourish and the site to continue to improve. 	<ul style="list-style-type: none"> § Monthly. 	<ul style="list-style-type: none"> § On-going. § Nov 2015

Risk Management: Action Plan

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

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

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 st , April 1 st , July 1 st , October 1 st

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

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

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ 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.	§ Minimises 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

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

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ 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 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.