

ALEXANDRA PALACE AND PARK CHARITABLE TRUST DRAFT RISK REGISTER

| Area of Risk | Potential Outcome | Probability | Impact | Unmitigated Risk Score | Controls for mitigating risk | Probability | Impact | Mitigated score | Action Plans to Deliver Mitigations Plans | Timescale for Action Plans | Responsibility | |
|--|---|---|--------|------------------------|------------------------------|--|--------|-----------------|---|--|--|----------------------------------|
| Item No Governance and Management | | | | | | | | | | | | |
| 1 | Governance, Operational and Branding Strategy inadequate for the long term needs of the site. | Trading deficit will continue to place an increasing burden on LBOH | 5 | 5 | 25 | Good Governance code, sustainable organisational and management structures. | 4 | 5 | 20 | Governance and Branding review resulting in new Trustee strategy and vision leading of approved and sustainable Master Plan for the site. | Dependent on Governance & Branding Review Project | Trustees |
| 2 | Business model for site not adequate to support the operational overheads and Capital Expenditure development for the site. | Trading deficit will continue to place an increasing burden on LBOH. Lack of Capital Expenditure will result in critical infrastructure system failure, having further impact on business | 5 | 5 | 25 | Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment. | 4 | 5 | 20 | Business Model to be reviewed as part of Master Planning project, taking into account alternative use of venue space and "Sweating the Asset" to deliver both the Charitable Aims of the site and economic returns | Dependent on Governance & Branding Review Project | Trustees |
| 3 | APPCT & APTL structure is not the correct business model to meet the long terms needs of the site | Ability of the site to meet the Compliance objectives are in conflict to the requirements of business drivers | 4 | 5 | 15 | Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment. | 3 | 5 | 15 | New governance arrangements for Trust maintain independence of charity. Restructure of executive management to create one leadership role. | Dependent on Governance & Branding Review Project | Trustees |
| 4 | Governance arrangements with LBOH are restrictive on the ability to develop the site. | Trading deficit of will continue to place an increasing burden on LBOH. Lack of Capital Expenditure will result in critical infrastructure system failure, having further impact on business | 4 | 5 | 20 | Good Governance code, sustainable organisational and management structures combined with sustainable business model. | 3 | 5 | 15 | New Trustee strategy and vision leading to approved and sustainable Master Plan for the site. | Dependent on Governance & Branding Review Project | Trustees |
| 5 | The independence of the Charity is compromised by external influence | External involvement and influence compromises the governance requirements if distinct role of Charity not recognised and supported | 3 | 5 | 15 | Trustee Board is separate from the Council. | 2 | 5 | 10 | New governance arrangements for Trust maintain independence of charity. Restructure of executive management to create one leadership role. New Code of Governance. | Dependent on Governance & Branding Review Project | Trustees |
| 6 | Turnover of Trustees each year | Weakens the governance framework and the effective operation of the Charity | 4 | 5 | 20 | Good Governance Code which sets out the requirements for robust and effective approach . Particular emphasis on selection of trustees with requisite skills and effective induction and training | 3 | 5 | 15 | New governance arrangements for Trust maintain independence of charity. New Code of Governance. | Dependent on Governance & Branding Review Project | Trustees |
| 7 | Lack of staff skills/capacity to manage capital projects. | Capital projects not delivered on time or on budget. Negative impact on compliance and/or lettable space. Overspend on salary budget. | 4 | 3 | 12 | Capital projects include an allowance for buying in skills. Management oversight and regular review of projects. | 2 | 3 | 6 | Continue current arrangements combined with management restructure. | To be decided after APPB on 12/01/10 | General Manager/Chief Officer |
| Operational Risks | | | | | | | | | | | | |
| 1 | Vulnerability of site relying on a single covenant from APTL as main source of income | Trading deficit will continue to place an increasing burden on LBOH | 4 | 5 | 20 | Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment. | 3 | 5 | 15 | Business Model to be reviewed as part of Master Planning project, taking into account alternative use of venue space. | Dependent on Governance & Branding Review Project | Trustees |
| 2 | Deteriorating physical condition of building & services | Critical compliance system failures cause area (s) to become un-inhabitable. (Fire & evacuation systems) | 5 | 5 | 25 | Capital Expenditure request made to LBOH. | 3 | 5 | 15 | Infrastructure improvements projects funded by capital bids. | Dependent on out come of capital bids - February 2010. | General Manager/Chief Officer |
| 3 | Key Operational facilities (e.g. Ice Rink) fail and/or become un-economic to operate | Trading deficit of will continue to place an increasing burden on LBOH | 5 | 5 | 25 | Capital Expenditure request made to LBOH. | 1 | 1 | 1 | Infrastructure improvements projects funded by capital bids. | Dependent on out come of capital bids - February 2010. | General Manager/Chief Officer |
| 4 | Skills and resources cannot be recruited to meet the needs of the site | Compliance and operability of the site not sustainable | 4 | 4 | 16 | New management structure implemented enabling permanent recruitment | 3 | 3 | 9 | Restructure of management and recruitment to vacant/new posts | To be decided after APPB on 12/01/10 | General Manager/Chief Officer |
| 5 | Increased competition and demands of customers impacts on the ability of site to compete in the open market | Trading deficit of will continue to place an increasing burden on LBOH | 4 | 4 | 16 | Capital Expenditure injection from LBOH or alternative source of funding and a more entrepreneurial way of achieving Capital Expenditure injection | 3 | 4 | 12 | Business Model to be reviewed as part of Master Planning project, taking into account alternative use to venue space. | Dependent on Governance & Branding Review Project | Managing Director/Chief Officer |
| 6 | Inadequate contract management framework | Poor value for money and potential safety risks | 3 | 5 | 15 | LBOH procurement processes and 3 Tier Contract Review process. | 2 | 3 | 6 | Arrangements in place, subject to annual strategic contract review. | Ongoing | General Manager/Chief Officer |
| 7 | Failure of key contractors/service providers | Lack of service or reduced efficacy. security, repairs & maintenance, grounds maintenance. | 2 | 5 | 10 | Effective procurement, regular and frequent contract monitoring, 3 tier contract review process, review of performance measures. | 2 | 5 | 10 | Arrangements in place, subject to annual strategic contract review and refinement of contract review process. | Strategic Reviews to be completed during 2010 | General Manager/Chief Officer |
| 8 | IT and communication infrastructure failure | Critical system failure and lack communication systems will be impact on ability of site to operate. | 4 | 4 | 16 | Capital Expenditure injection through LBOH pre-Business Planning review. | 2 | 2 | 4 | Infrastructure improvements projects funded by capital bids. | To be decided after APPB on 12/01/10 | General Manager/Chief Officer |
| 9 | Site is vulnerable to acts of Terrorist | Acts of Terrorism impact on the ability of the site to operate and have negative impact on customer confidence | 3 | 5 | 15 | Work with Specialists to ensure that the site operates to the recommended levels of security and protection | 2 | 5 | 10 | Continue to develop current arrangements, making infrastructure improvements where possible. | Ongoing | General Manager/Chief Officer |
| 10 | Inadequate management information - non financial | Poor management decisions, reduced profitability, inefficient use of space, potential for higher trading deficit and/or non compliance with law and regulation. | 3 | 4 | 12 | Regular reporting and monitoring of KPIs, regular and frequent dialogue between APTL and APPCT, 3 tier contract review process, effective PPM programme. | 1 | 4 | 4 | Continue to develop current arrangements, upgrade PPM system and improve robustness of ICT systems.. | Ongoing | General Manager/MD/Chief Officer |
| Financial Risks | | | | | | | | | | | | |
| 1 | Inadequate management information - financial | Reduced profitability/increased deficit. Failure to align available Capital Expenditure with long-term business needs, ineffective budgeting and forecasting. LBOH CFO unaware of authority's commitment. | 3 | 4 | 12 | Individual P & L for each event, monthly budget monitoring reports/meetings, (including with LBOH). Quarterly reforecast for APTL and APPCT reported to boards. Regular update of asset register and other financial records. Effective Internal Audit arrangements. | 1 | 4 | 5 | Continue to develop current arrangements, documenting procedures where appropriate. Develop Internal Audit strategy and operational plan to meet emerging risks. | Ongoing, existing Internal Audit arrangements. | Head of Finance |
| 2 | Outstanding Financial Claims | Potential impact on financial viability of Charity | 3 | 5 | 15 | Continue to review impacts and likelihood of successful claim/counter-claim. | 3 | 5 | 15 | Trustees to keep legal advice under review. | Ongoing | General Manager/Chief Officer |
| 3 | LBOH unable and unwilling to continue to fund deficit | Trust can no longer operate | 2 | 5 | 10 | LBOH to approves Trustees' Financial Plan as part of Business Planning process. Exceptions reported by APPCT to LBoH via existing budget monitor process. | 1 | 5 | 5 | Budget setting process to be co-ordinated between Trust and LBOH. Trust to engage with PBPR from late summer onwards. Trust to develop 3 year Business Plan including annually reviewed Financial Plan. | Draft Business Plan by April 2010. | General Manager/Chief Officer |

| | | | | | | | | | | | | |
|---|---|--|---|---|----|--|---|---|----|---|---|----------------------------------|
| 4 | Poor internal financial control / risk of fraud | Financial position and plan no longer sustainable, lost revenue, negative reputational impact. | 3 | 4 | 12 | Regular internal review, periodic appraisal by Internal Audit, anti fraud and credit risk measures. | 2 | 4 | 8 | Internal Audit Strategy and Operational Plan to be monitored by Head of Finance and GM/MD/Chief officer. | Ongoing, existing Internal Audit arrangements. | General Manager/MD/Chief Officer |
| | Significant reduction in contribution from the Trading Company | Financial position and plan no longer sustainable | 4 | 4 | 16 | Existing budget monitoring process identifies reduced performance and control measures. Exceptions reported to Trust Board and LBoH. | 3 | 4 | 12 | Trust variable spend linked to actual Gift Aid received. Continue to link reforecast of APPCT and APTL. | Finance Plan by April 2010 | Head of Finance |
| 5 | Lack of robust approach to business planning by both Charity and APTL | Potential impact on financial viability of Charity and Company | 4 | 5 | 20 | Good Governance Code which sets out the requirements for robust and effective approach . 3 year Trust Business Plan reflects APTL forecasts and aspirations. | 3 | 4 | 12 | Budget setting process to be co-ordinated between Trust and LBOH. Trust t engage with PBPR from late summer onwards. Trust to develop 3 year Business Plan. Approach agreed by all parties but flexible enough to adapt to results of master planning exercise. | To be decided after APPB on 12/01/10 | General Manager/Chief Officer |
| 6 | Lack of Performance | Financial position and plan no longer sustainable | 4 | 5 | 20 | Suite of KPIs to measure improved VFM and income generation for the site | 3 | 5 | 15 | Monthly performance targets to be set for APTL and reported to Trustees. | KPIs to be agreed by April 2010 | Head of Finance |
| External risks | | | | | | | | | | | | |
| 1 | Adverse press coverage | Impact on reputation and potential future development | 4 | 5 | 20 | Trust appointed PR consultants and nominated representatives | 2 | 5 | 10 | Existing PR arrangements to be documented and procedure agreed on representation and spokespeople. | Dependent on Governance & Branding Review Project | General Manager/MD/Chief Officer |
| 2 | Increased competition/business turn down plus demands of customers impacts on the ability of site to compete in the open market | Impact on reputation and potential future development | 4 | 5 | 20 | Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment. | 3 | 5 | 15 | Business Model to be reviewed as part of Master Planning project, taking into account alternative use of venue space. | Dependent on Governance & Branding Review Project | General Manager/Chief Officer |
| Compliance with law and regulation | | | | | | | | | | | | |
| 1 | Charity Commission investigation | Charity seen to be operating unlawfully and/or not meeting its objectives | 3 | 5 | 15 | Good Governance code, sustainable organisational and management structures combined with effective PR and Trustees ambassadorial functions. | 2 | 5 | 10 | Dialogue with Charity Commission, new Code of Governance, etc. | Dependent on Governance & Branding Review Project | Trustees |
| 2 | Lack of compliance with law, regulations and/or licensing conditions. | Charity seen to operating unlawfully and/or not meeting its objectives | 2 | 5 | 10 | Regular review of Compliance Matrix, effective internal legal advice, effective and professional management and advice given by Chief Officer/s. | 2 | 5 | 10 | Regularised arrangements for legal advice, knowledge and expertise of Chief Officer, Code of Governance, Compliance Matrix etc. | Dependent on Governance & Branding Review Project | Trustees |
| Additional Risks | | | | | | | | | | | | |
| 1 | Health and safety risks/non-compliance with H&S regulations. | Negative impact on staff and clients/facility users and reputation. Restrictions on or loss of events licence. | 3 | 5 | 15 | Properly implemented health, safety, welfare and environmental policy, procedures and arrangements augmented by a suite of other control measures e.g. Contractor's Handbook, regular Safety Inspections, etc. Health & safety Steering Group chaired by MD and GM. Effective implementation and training on policies and procedures. Compliance matrix. Separate H & S Risk Register. Monitoring and trend analysis of accidents/incidents. | 1 | 5 | 5 | Continued implementation and development of existing suite of H & S documentation. Staff/contractor training. Regular review of Compliance Matrix. | Ongoing - top management priority | All Managers, Staff and Trustees |
| 2 | Inadequate Business continuity/ Disaster Recovery Plans | Reduced operational effectiveness and profitability. Reputational damage. Reduced staff morale. Missed business opportunities. | 3 | 5 | 15 | Business Continuity and Disaster Recovery Plans in place and regularly reviewed by Trust and APTL. Testing and training of plans. | 1 | 5 | 5 | Incident Management Procedure in place. BCP and Disaster recovery Plan in progress. | Draft documents by April 2010 | General Manager/Chief Officer |

Key

Probability:
5 = Very Likely to happen
4 = Likely to happen
3 = May happen
2 = Unlikely to happen
1 = Very unlikely to happen

Impact
5 = Very high
4 = High
3 = Medium
2 = Low
1 = Very low

Risk Score
25 = Maximum - extremely high
20 to 24 = High
15 to 19 = Medium
10 to 14 = Low
1 to 9 = Very Low

Note: to be added; Identification of trigger points for further action required to mitigate risks.