

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

Review of UEFA EURO 2020

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	Page
<u>EXECUTIVE SUMMARY</u>	
Background	1
Audit Assurance	2
Areas of Effective Control	2
Key Risk Issues for Management Action	4
<u>FINDINGS and RECOMMENDATIONS</u>	
Review Objectives	5
Scope	5
Strategy and Governance Arrangements	5
Roles, Responsibilities and Accountabilities	7
Funding, Resources, Budgets and Expenditure	8
Monitoring, Reporting and Oversight	9
<u>ACTION PLAN</u>	
Assurance and Risk Rating Definitions	10
Findings and Recommendations	11

1. Background

- 1.1 This review was carried out as part of the Greater London Authority (GLA) 2018/19 audit plan. The objective of the review was to ensure that appropriate arrangements are in place to support the GLA's obligations as a Host City Authority for the 2020 UEFA European Football Championship and are delivered effectively and efficiently, to achieve the agreed outcomes.
- 1.2 At the outset of the review, the potential key risks identified to achieving the objectives of EURO 2020 were:
 - Lack of clear objectives, roles, responsibilities and accountabilities;
 - Ill-defined governance arrangements and oversight;
 - Inadequate/inappropriate level of funding;
 - Withdrawal of funding from partner organisations;
 - Inadequate financial monitoring and management arrangements;
 - Insufficient or inaccurate reporting of management information;
 - Ineffective scrutiny, review and reporting against objectives/deliverables
- 1.3 Failure to manage these risks could result in objectives not being achieved, poor value for money and adverse publicity/reputational damage for the GLA. We are looking to provide assurance that the key risks are being effectively managed.
- 1.4 The UEFA European Championship is held every four years in the months of June and July. It is the largest sporting event in Europe and the third largest globally after the Summer Olympics and FIFA World Cup. EURO 2020 will be held in 12 host countries and cities across the continent and will be managed in each participating country by the respective national federation on behalf of UEFA. Because of the structure of the tournament being across 12 host countries, each federation has been asked to create an organising structure, with London being the EURO 2020 Steering Committee.
- 1.5 In 2014, the GLA, in partnership with the Football Association (FA) and the Department for Digital, Culture Media and Sport (DCMS), bid successfully for London to host the semi-finals and final of the tournament at Wembley Stadium in July 2020. Following UEFA's decision to strip Brussels of its hosting rights in December 2017, London was appointed to host four additional games (three group stage matches and one round of 16 game), increasing the total number of EURO 2020 matches in London to seven. The games will be held at Wembley Stadium.
- 1.6 The GLA has made a commitment to a number of obligations under the Host City Agreement. The largest commitment is the delivery of a Fan Zone and City Activation programme. The GLA is required to set up and operate entertainment areas in London during the tournament including an event village, match screenings, and large-scale screenings for high-profile matches (England games, semi-finals and final).

- 1.7 The GLA has a budget of £15.4m for EURO 2020 of which £8.2m was approved by the previous Mayor in 2014, and the current Mayor approved a further £1.8m in 2018 following the increased number of matches in London. As part of the GLA's 2019/20 budget setting process and following a detailed feasibility and project review, the GLA has allocated an additional £5.4m to the project; a new Mayoral Decision is currently being drafted to approve the additional budget. As at period 10 2018/19, a total of £90,995 had been spent on the project.

Audit Assurance

Substantial

There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.

2. Areas of Effective Control

- 2.1 There are clearly defined objectives to support the delivery of the EURO 2020 tournament. There is a Host City Agreement in place detailing the terms under which UEFA and the Host City Authority and stakeholders will co-corporate to ensure the success of the tournament requirements in relation to the organisation and staging of certain matches of the UEFA European Football Championship 2020. The agreement was signed in April 2014 by all relevant parties including UEFA, FA, GLA and the Airport Authority.
- 2.2 Timescales for the project milestones and activities for EURO 2020 are being achieved and operating effectively. The GLA is currently working closely with The FA, Local Organising Structure (LOS), and the Government and have compiled plans to maximise the impact of EURO 2020 and have developed London's Host City Concept. The first iteration of London's Host City Concept was submitted to UEFA in June 2018 and will be followed by version 2 in June 2019, and a final Host City Concept in March 2020. There are two additional operational plans covered by the Host City Concept for mobility (public transport) and security. Both have been developed in partnership with TfL and the MPS respectively. Both organisations have identified resource working on EURO 2020, integrated within the GLA's project team.
- 2.3 There are effective governance arrangements in place for EURO 2020. The EURO 2020 Steering Committee provides strategic direction and oversight to the Organising Structure that has been established to deliver London's seven fixtures of EURO 2020 and have an approved terms of reference in place. Meetings are held quarterly with the first being held on 23 February 2018. The GLA Programme Management Group oversees the delivery of the GLA's obligations to UEFA for the 2020 European Football Championship and meets quarterly. Meetings have been held and minuted on 17th August, 25th September and 10th December 2018 respectively.

- 2.4 The EURO 2020 tournament is aimed at supporting the GLA's major sports events strategy. As part of the lessons learned from the 2017 World Para Athletics Championship the GLA has ensured that the engagement of non-sporting organisations has been incorporated in to the EURO 2020 tournament requirements, which will help to encourage persons who share a relevant protected characteristic to participate in such activities in which participation by such persons is disproportionately low.
- 2.5 The funding and objectives for the EURO 2020 tournament have been properly approved. The funding for EURO 2020 was approved under MD1339 on 15 April 2014 by the previous Mayor and under MD2226 on 8 February 2018 by the current Mayor. The approval was based on the proposed plan and governance structures for meeting the GLA's obligations under the UEFA EURO 2020 Host City Agreement, including expenditure of £10M. A further Mayoral Decision form will be completed in Q1 2019/20 to approve an additional £5.4m that has been allocated to the project through the GLA's 2018/19 budget setting process.
- 2.6 Expenditure is monitored effectively and as part of the Mayoral Decision, Delegated Authority has been given to the Mayoral Director of External and International Affairs to approve expenditure within the budget. At the time of the audit one invoice had been approved and recorded on the financial systems and monitored in line with project milestones. The invoice was appropriately supported and processed promptly. Resources are also in place to ensure the work of the various internal teams and external partners working on each side of the project (operations and promotion) is coordinated effectively.
- 2.7 There is an effective Risk Management Framework in place. The GLA has an UEFA EURO 2020 risk register in place, which identifies seventeen risks that have been RAG rated and risk ranked and include details of the risk owner, mitigating actions, impacted stakeholder, financial and reputational impact respectively. The risk register is discussed at the GLA EURO 2020 Programme Management Group meeting to ensure robust mitigation and contingency measures are in place.
- 2.8 Roles, responsibilities and accountabilities are clearly defined in the organising structure for EURO 2020 of which four levels have been established within the governance framework in relation to the activities that will be carried out such as oversight, stakeholder approval, accountability, strategic co-ordination, delivery co-ordination, day to day management and delivery responsibility by UEFA, FA, GLA EURO 2020 Programme Management Group, EURO 2020 Steering Committee, EURO 2020 Delivery Committee and Core Project Team. Meetings are held on a regular basis to ensure all levels are delivering the obligations they have committed to do under the Host City agreement.
- 2.9 The GLA Programme Management Group closely monitor resources for the project which is constantly under review and developed based on identified need for various elements of the project. Three new posts are currently being

created to support the GLA's delivery of UEFA EURO 2020, which are currently with CMT for approval.

- 2.10 A feasibility report based on a Fan Zone and City Dressing/Commercial/Advertising Inventory was produced in January 2018. As part of the GLA's obligations under the Host City Agreement the GLA is required to set up a Fan Zone Activation programme during the tournament to include an event village, match screenings and large screenings for the England games, semi-finals and final matches. The feasibility study was carried out by CSM Sport & Entertainment who assessed sites around London and made recommendations on locations, formats and budgets.
- 2.11 Complete and timely management and financial information is produced and reviewed to support EURO 2020. The Sports team receive data on budget and expenditure monthly to ensure that payments and expenditure is monitored against budgets and accurately accounted for. To date, ad hoc meetings have been held in relation to EURO 2020 due to the minimal expenditure currently incurred, however regular meetings are generally held with Finance on budget monitoring.
- 2.12 The Sports team within the GLA has overall oversight for the delivery of the EURO 2020 activity and report progress on the expected deliverables and outcomes through the performance dashboard on a quarterly basis. Progress on the performance of EURO 2020 is monitored effectively through the monthly updates, which provide details on the status of the project activities, current issues including the impact and action to resolve the issues, the top three risks and action taken to mitigate the risks, RAG rating, budget and expenditure to date and timescales for achieving key milestones.
- 2.13 Effective reporting arrangements are in place to support the oversight, performance and delivery of the tournament. Progress on the tournament activities is reported and discussed at a number of groups within the Local Organising Structure such as the Steering Committee, Delivery Committee and GLA Programme Management Group meetings, which are held on a monthly and quarterly basis. Representatives from the Mayor's Office and GLA attend the EURO 2020 Steering Committee meeting and have also presented the event planning to the Major Events Oversight Board in November 2017.

3. Key Risk Issues for Management Action

- 3.1 A Feasibility Study on a Fan Zone and City Dressing/Commercial Advertising Inventory was carried out by CSM Sport and Entertainment in 2018 to assess sites around London and make recommendations on locations, formats and budgets. There was no evidence of a formal agreement made available during the review to determine the objectives of the exercise and whether it had been efficiently delivered in accordance with the agreement. Failure to formally communicate the rights and obligations of the service provider may

result to the terms of the agreement not being fulfilled and value for money not being achieved by the GLA. As good practice the GLA must ensure formal written agreements are in place and evidenced for all third-party service providers.

4. Review Objectives

- 4.1 Our overall objective was to review the effectiveness of the control framework in relation to the EURO 2020 tournament to support Mayoral objectives. In particular, we sought to give an assurance that:
- The strategy and policy for developing and managing the championships with external organisations and stakeholders is clearly defined, properly approved and supported by adequate guidance.
 - Clearly assigned roles, responsibilities and accountabilities are in place to deliver and monitor milestones/targets, key deliverables and risks.
 - Funding and resources for EURO 2020 are properly approved and are effectively monitored and evaluated against the achievement of the agreed objectives and contractual arrangements.
 - Effective monitoring and reporting arrangements are in place to support oversight and performance and the effective stewardship of funds, based on accurate, timely and relevant management information.

5. Scope

- 5.1 This review focussed on the control environment supporting the preparation and arrangements in place for EURO 2020. We evaluated the effectiveness of the controls in place for ensuring the successful and safe delivery of the games.

6. Strategy & Governance Arrangements

- 6.1 There are clearly defined objectives to support the delivery of EURO 2020. There is a Host City Agreement in place detailing the terms under which UEFA and the Host City Authority (the GLA) will cooperate to ensure the successful and smooth organisation of the UEFA European Football Championship 2020. The agreement also confirms the Host City Authority's full and unconditional acceptance of the Tournament Requirements and that the GLA's obligations and guarantees entered for the semi-finals and finals are extended to the additional four matches secured in 2017. The agreement was signed in April 2014 by all relevant parties including the UEFA, FA, the Mayor of London and the Airports Authority.
- 6.2 The GLA is currently working with The FA, Local Organising Structure and the Government and have compiled plans to maximise the impact of EURO 2020 in the form of London's Host City Concept. The first iteration of London's Host City Concept was submitted to UEFA in June 2018, containing the city's concept of operations for delivering the event, as well as a series of activities and set targets that have been achieved to date. Version 2 of the Host City Concept is due to be submitted to UEFA in June 2019, and a final Host City Concept in March 2020. In addition, operational plans for mobility (public transport) and security have been developed in partnership with TfL and the MPS respectively. Both organisations have identified resource working on EURO 2020 integrated within the GLA's project team and have been for more than twelve months.

- 6.3 The Host City Agreement imposes a range of obligations upon the GLA, largely relating to the operational requirements of staging the event in London such as city dressing and provision of commercial media inventory, transport, safety and security, as well as Fan Zones and City Activations. There were also guarantees signed by Government, the FA, the previous Mayor and other city representatives such as London & Partners.
- 6.4 The Sports Team presented an update on the event planning to the Major Events Oversight Board in November 2017. The primary obligations set out in the agreement require the GLA to:
- host matches and other associated events;
 - provide public land, if required, for specified UEFA EURO 2020 events;
 - develop and oversee delivery of a 'host city concept', covering event logistics, licensing, and provision of land and venues;
 - develop a 'host city promotional programme';
 - develop an event 'transport concept';
 - develop an event 'safety and security concept';
 - deliver Fan Zones and City Activations;
 - ensure availability of airports;
 - ensure availability of sufficient accommodation;
 - protect and enforce the intellectual property rights of UEFA and UEFA's corporate partners; and
 - identify advertising space for UEFA and UEFA's corporate partners.

The city's approach to delivering these obligations is covered within the Host City Concept, which is the GLA's operational plan for the event.

- 6.5 There is an effective arrangement in place for the governance framework for EURO 2020. As part of the overall governance structure of the tournament, in agreement with UEFA, The FA has established an 'EURO 2020 Steering Committee' (the "Committee") to coordinate all Host obligations under the EURO 2020 Staging Agreement. A terms of reference for the EURO 2020 Steering Committee is in place and meetings are held on a quarterly basis. The Stadium, Government and GLA will all deliver the obligations they have already committed to as outlined in the bid document, with the Committee ensuring that obligations have sufficient oversight and coordination. The Committee is coordinated by the FA and is comprised of members from The FA Senior Management Team (which includes Wembley National Stadium Limited (WNSL) representation), The Department for Digital, Culture, Media & Sport (DCMS), London Borough of Brent and GLA.
- 6.6 The governance structure consists of UEFA, the tournament owner followed by four levels: Level 1: Provides oversight, stakeholder approval and accountability and comprises of the EURO 2020 GLA Programme Management Group (Host City Agreement) and FA Board (Staging and Stadium Agreement). Level 2: Provides strategic coordination, oversight and accountability and comprises of the EURO 2020 Steering Committee, Level 3: Provides delivery coordination,

management and accountability and comprises of the EURO 2020 Delivery Committee (comprised of the GLA and FA's Core Project Teams) and Level 4: Provides day to day management and delivery responsibility, which includes Stadium Operations, City Operations, Government Relations, Others and Legacy.

- 6.7 There is an effective Risk Management Framework in place. The GLA has an UEFA EURO 2020 risk register in place, which identifies seventeen risks that have been RAG rated and risk ranked and include details of the risk owner, mitigating actions, impacted stakeholder, financial and reputational impact respectively. The risk register is an agenda item for discussion at the GLA EURO 2020 Programme Management Group meeting to ensure robust mitigation and contingency measures are in place.

7. Roles, Responsibilities and Accountabilities

- 7.1 We found that all partners and stakeholders had been made accountable for their duties for the championship and their roles and responsibilities have been detailed in the respective terms of reference for the Steering Committee, Delivery Committee and GLA Programme Management Group. The objective of the 'EURO 2020 Steering Committee' is to provide strategic direction and oversight to the Organising Structure that has been established to deliver the seven EURO 2020 games being hosted in London. The Delivery Committee has oversight responsibility for the operational delivery of the tournament. The Delivery Committee is the core of the Local Organising Structure, led by the Host Association (as Tournament Organisers) with representation from key delivery partners, stakeholders and project leads from across the Tournament.
- 7.2 The previous Mayor of London signed the Host City Agreement with UEFA and the FA on 15 April 2014. The agreement sets out the GLA's obligations to deliver the event in London, including transport, security, and spectator engagement including delivering tournament fan zones. The Airports Authority signed the declaration for requirements in the Host City Agreement in April 2014.
- 7.3 The GLA is required to set up and operate entertainment areas in London during the tournament including an event village, match screenings, and large-scale screenings for the England games, semi-finals and final matches. A Feasibility Study on a Fan Zone and City Dressing/Commercial Advertising Inventory was carried out by CSM Sports and Entertainment in 2018, who assessed locations, formats and budgets for consideration by GLA Officers.
- 7.4 The final feasibility report was received on 12 January 2018 and made a number of recommendations:
- Several potential London venues for Fan Zone activities;
 - a potential concept for a community football roadshow to be developed in partnership with London Boroughs;
 - a potential macro level marketing creative idea for use across the city; and

- projected budgets for delivery.

- 7.5 London & Partners coordinated a competitive tender exercise in October 2017 for the feasibility study. Evidence to support the outcome of the feasibility study delivered by CSM was seen during the audit review, however, no evidence of a formal agreement was made available to determine the objectives of the exercise and whether it had been efficiently delivered in accordance with the agreement. Failure to formally communicate the rights and obligations of the service provider may result to the terms of the agreement not being fulfilled and value for money not being achieved by the GLA. There are currently no formal agreements in place for the London Boroughs and other third-parties as no areas have yet been established where formal agreement is required with London Boroughs or other third parties.

Recommendation

The GLA needs to ensure formal written agreements are in place and evidenced for all third-party service providers.

8. Funding, Resources, Budgets & Expenditure

- 8.1 The funding for the EURO 2020 tournament has been properly approved. The Mayor approved a further funding of £1.8M for EURO 2020 on 8th February 2018 under MD2226, due to an additional four matches taking place in London. The approval was based on the approval of the planned approach to meeting the GLA's obligations under the Host City Agreement for UEFA EURO 2020, including expenditure of £10M (of which £8.2M was approved under MD1339 on 15th April 2014 by the previous Mayor), and the proposed plan to meet the agreement obligations and city guarantees. As part of the GLA's 2019/20 budget setting process and following a detailed feasibility and project review, the GLA has allocated an additional £5.4m to the project; a new Mayoral Decision is currently being drafted to approve the additional budget and will be completed in Q1 2019/20.
- 8.2 No funding has been received by the GLA for the EURO 2020 tournament. However, following the successful delivery of the event, The FA is likely to be in receipt of a performance bonus from UEFA of up to £1.6 million. It has been agreed with The FA that the GLA will receive 33% of this bonus. This would therefore lead to a further reduction in the overall cost of the event to the GLA Group. The FA is currently writing to the GLA to confirm arrangements for distribution of the performance bonus should it be forthcoming. This is still to be signed off and is a work in progress.
- 8.3 Expenditure on the EURO 2020 tournament is monitored effectively. As at period 10 a total of £90,995 had been spent on EURO 2020. This amount covered salary costs and expenses and £25,800 for the delivery of the feasibility study,

which covered a number of media inventories and presentations on UEFA EURO 2020 for train and tube stations, airports, Wembley, potential Fan Zone sites and iconic buildings. Expenditure on the project is authorised by the budget holder. The purchase order is raised and approved by the director and the invoice payment was authorised by the project manager once the invoice had been goods receipted. The invoice was paid via the TfL payment process.

- 8.4 The GLA's EURO 2020 Project Manager is responsible for monitoring and reporting on the EURO 2020 budget. Management accounts are received monthly and Finance hold meetings with the budget holder to discuss project cost, budget and forecasts. Management accounts are circulated to the project managers monthly and every month the budget holder is required to provide an update on progress and spend on the project to the Management Accountant. To date, ad hoc meetings have been held due to the minimal expenditure currently incurred.
- 8.5 The GLA Programme Management Group closely monitor resources for the project which is constantly under review and developed based on identified need for various elements of the project. Three new posts (EURO 2020 City Volunteer Recruitment & Training Manager, EURO 2020 City Volunteer Recruitment & Training Coordinator, EURO 2020 Events Officer) are currently being created to support the GLA's delivery of UEFA EURO 2020, which are currently with the CMT for approval.

9. Monitoring, Reporting and Oversight

- 9.1 Accurate and timely management information on the project is produced and is managed primarily through the GLA project dashboards, which are produced on a quarterly basis. We reviewed the dashboard for October 2018 and found that the project was RAG rated as 'Green' as milestones for the project were on track. Risks and issues whilst mostly amber, were manageable and are likely to be mitigated by the next dashboard report. We also found that timescales for key milestones had been achieved and costs were on target due to the minimal expenditure on the project to date.
- 9.2 There is an effective reporting and oversight framework in place for EURO 2020. The Sports Team presented an update on the event planning to the Major Events Oversight Board in November 2017. Performance on the preparation of the tournament is reported through the event governance structure via the GLA Programme Management Group meeting, which is chaired by the Mayoral Director of External and International Affairs and attended by the GLA Assistant Directors, Heads of Service and stakeholders. Meetings are held quarterly and have been held on 17 August 2018, 25 September 2018 and 10 December 2018 respectively and the EURO 2020 Steering Committee Multi-agency senior steering group which is chaired by the FA Chief Executive and attended by GLA membership comprised of Mayoral Director and Head of Sport and Delivery Committee. Meetings had been held on a quarterly basis with its first meeting

FINDINGS AND RECOMMENDATIONS

held on 23 February 2018. All Programme Management Group and Steering Committee meetings are minuted and any actions will be addressed at the next meeting.

RISK AND AUDIT ASSURANCE STATEMENT – DEFINITIONS

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively, however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categories recommendations according to their level of priority.
1	<p>Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to:</p> <ul style="list-style-type: none"> • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

ACTION PLAN

Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
7.5	<p>London & Partners coordinated a competitive tender exercise in October 2017 for the feasibility study. Evidence to support the outcome of the feasibility study delivered by CSM was seen during the audit review, however, no evidence of a formal agreement was made available to determine the objectives of the exercise and whether it had been efficiently delivered in accordance with the agreement.</p> <p>Failure to formally communicate the rights and obligations of the service provider may result to the terms of the agreement not being fulfilled and value for money not being achieved by the GLA.</p>	2	The GLA needs to ensure formal written agreements are in place and evidenced for all third-party service providers.	Yes	<p>GLA Officers were involved in the procurement process and in the subsequent monitoring of project deliverables. This was not captured in a formal agreement between London & Partners and the GLA, though a formal agreement between L&P and the service provider was executed, which the GLA had sight of. We accept the need to ensure formal agreements are in place between the GLA and all service providers and will ensure that all contractual information is captured appropriately.</p> <p>Responsibility: Team London & Sport</p>	Immediate implementation