



Audit & Risk Committee

Corporate Risk Register Update December 2023

Date: 6 December 2023

Key decision: No.

Class: Part 1.

Wards affected: All.

Contributors: Rich Clarke, Head of Assurance

Outline and recommendations

This paper sets out the completely revised corporate risk register, developed incorporating Lewisham Homes' risks from a fresh risk identification exercise in Autumn 2023. We have developed this register arising from the Council's new risk management framework and it sits alongside broader service and project-level risk documentation in the Council's risk management software, Pentana Risk. Risk management remains a live and developing field, so the paper also sets out plans for further enhancing our risk information through 2024.

We ask Members to **note** the report.

Timeline of engagement and decision-making

The Corporate and Directorate Risk Registers are updated by risk owners throughout the year. On this specific refresh and iteration of the Corporate Risk Register:

5 October 2023: Existing risk register revised to incorporate Lewisham Homes.

12 October 2023: Senior Leadership Team Risk Identification Workshop.

15 November 2023: Revised risk register to Executive Management Team.

28 November 2023: Cabinet Briefing on revised risk register

6 December 2023: Refreshed risk register at Audit & Risk Committee

Early 2024 (date tbc): Presentation of risk information to Mayor & Cabinet

1. Summary

- 1.1. This report and appendix provides an update on continuing refresh of risk management at Lewisham. Specifically, it includes (in appendix) the revised Corporate Risk Register plus information on Directorate Risk Registers.

2. Recommendations

- 2.1. We ask that Members **note** the report.

3. Policy Context

- 3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):

- Cleaner and Greener
- A Strong Local Economy
- Quality Housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

- 3.2. The report supports each priority as part of establishing and maintaining a sound governance system throughout the Council.

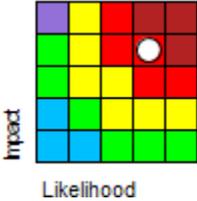
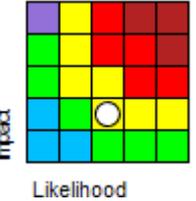
4. Corporate Risk Registers

- 4.1. The appendix to this report presents the current Corporate Risk Register alongside some headline information from Directorate Registers. The Corporate Risk Register has been completely refreshed in Autumn 2023. The previous version had not undergone a comprehensive review for some years, and including risks inherited from Lewisham Homes brought it up to more than 40 items recorded. While there is no maximum risk register size, general good practice limits suggest it remain no larger than can be reasonably considered within a single routine meeting.

- 4.2. As well as updating content, the focus on revision was to restrict the Corporate Risk Register to those risks being actively managed at Executive Management Team level. Those risks being managed by Senior Leadership Team (that is, Director level) or elsewhere, we transferred to Directorate Risk Registers to support their review at Directorate Management Teams.

- 4.3. The revised register contains 20 risks, each managed by an Executive Director.

Each report entry follows a similar format, as below:

Code, Title & Description EMT Owner	Current Risk Matrix	Target Risk Matrix	Related Action, Due Date & Progress
LBL003 Non-Compliance with Health & Safety At Work Act Regulation Jennifer Daothong			H&S Service Audit Programme 23/24 31-Oct-2023 <div style="border: 1px solid black; width: 100%; height: 15px; background-color: #4f81bd; margin-bottom: 5px;"></div> 100% <hr/> Fire Safety and Evacuation Approach 30-Nov-2023 <div style="border: 1px solid black; width: 100%; height: 15px; background-color: #4f81bd; margin-bottom: 5px;"></div> 100% <hr/> H&S Training Identification 15-Jan-2024 <div style="border: 1px solid black; width: 100%; height: 15px; background-color: #4f81bd; margin-bottom: 5px;"></div> 75% <hr/> Premises Officer 31-Jan-2024 <div style="border: 1px solid black; width: 100%; height: 15px; background-color: #4f81bd; margin-bottom: 5px;"></div> 25%

4.4. Looking at the components of each entry:

- **Code:** Each risk has a unique code to identify it within risk reporting. Corporate Risks uses the “LBL” format, with others having a format to identify its location in the register (for instance, risks within the Assurance Division start “COR-ASU” to identify directorate and division).
- **Title:** A short title summarising the topic of the risk
- **Owner:** A named individual with overall responsibility for managing the Council’s response to the risk. All Corporate Register risks are owned by an Executive Director. Other identified risks are managed by Directors, Heads of Service and Managers as appropriate.

Is this report easy to understand? Please give us feedback so we can improve. Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- **Description:** More detail about the subject of the risk. Descriptions tend to follow a standard format: “because of (causes) (risk event) resulting in (consequences)”. This gives a brief overview of what circumstances may cause the risk to crystallise and what impact may follow. It is not a comprehensive list of causes and impacts, although that information is held separately.
- **Current Risk Matrix:** Current risk score on a 5 x 5 scale of impact and likelihood. Definitions of each point in the scale are included in the appendix. As a ‘current’ score, this shows the evaluation of risk based on mitigations and controls already in place and operational.
- **Target Risk Matrix:** Showing the level of risk we are aiming for, recognising that ‘zero’ risk is not practical. There will often be a target date for reducing risk to this level, working alongside identified remedial actions.
- **Related Action, Due Date & Progress:** Documentation of actions to further mitigate risk is still in development and the primary focus of next steps. The example here has a relatively comprehensive set of actions aimed at reducing impact and likelihood. Actions feature a due date and progress bar to help tracking implementation in risk reporting.

5. Directorate, Service and Project Risk Registers

5.1. Previously, the corporate risk register was the primary outlet for risk reporting to the extent that arrangements outside that report varied significantly in format and update routines. Our new risk management strategy coheres directorate risks into a common structure and update cycle to provide greater transparency on how services manage risks outside the Corporate level. One immediate consequence is that a number of risks previously included in Corporate Risk Registers are now recognised within Directorate registers. Risks now reported within directorates are (along with the reference number as reported to Members in September):

- Risk 311: Failure to collect debt (now on Corporate Resources’ risk register for council tax/business rate debt and other directorates separately as appropriate).
- Risk 161: Elections not conducted in line with law (not on Chief Executives’ directorate risk register)
- Risk 331: Local Plan not proceeding (now on Place Directorate risk register)
- Risk 341: Loss of parking income due to being a greener borough (now on Place Directorate risk register)
- Risk 231: Failure to agree with partners integrated delivery models for local health and social care (now on Community Services’ risk register)
- Risk 251: Global commodity price increases or supply chain shortages (now included on directorates’ risk registers based on the specific prices and shortages impacting individual services)
- Risk 181: IT not fit for business need (now included on directorates’ risk registers based on the specific IT deficiency threats impacting individual services)

- Risk 301: Lack of provision for unforeseen expenditure or loss of income from funding streams (now included on directorates' risk registers based on specific threats of unforeseen spending or vulnerable funding)
- Risk 101: Governance failure in implementing service change (now included on directorates' risk registers drawing on specific planned service changes)
- Risk 261: Failure to manage performance leads to service failure (now included on directorates' risk registers where there are specific service performance management challenges).

5.2. The combined matrix for directorate-level risks currently records the following distribution.

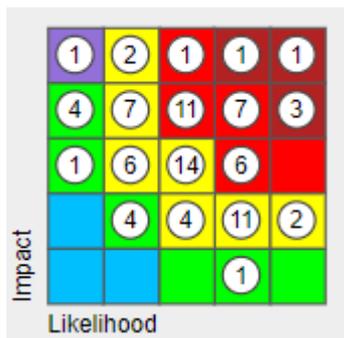
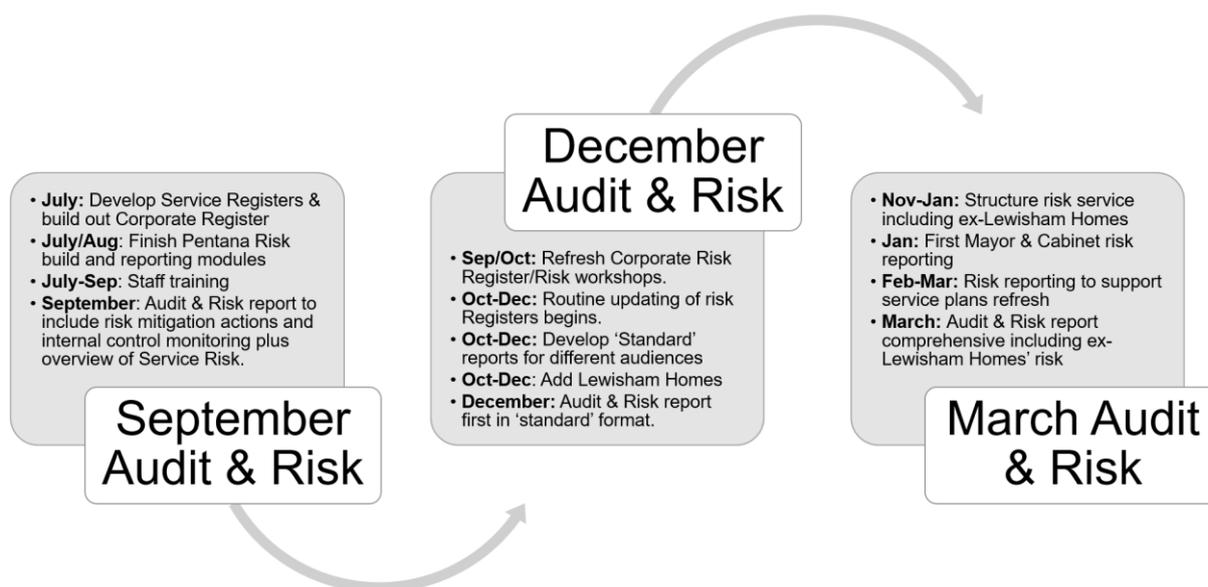


Figure 1: Combined risk matrix for directorates, showing 5x very high risks, 25x high risks, 56x moderate risks and 11x low risks

- 5.3. In addition, there are a number of risks presently awaiting allocation of a current score which do not therefore appear on the matrix. These risks largely came from service planning in late spring 2023, where the standard form invited a risk listing without scoring or additional information.
- 5.4. Reporting to Executive Management Team details the very high and high directorate risks along with actions underway for further mitigation. Every risk, at whatever level, also has a named owner and a review schedule (often quarterly reviews at Directorate Management Teams).
- 5.5. As well as service risks, we are also incorporating into Pentana Risk information related to specific project or topic risks. This includes, right now, separate risk registers on **Emergency Planning** and **IT Network Security**. This scoring uses alternative approaches (to be consistent with the London Resilience Forum and Shared Technology Services' methods accordingly) so does not map directly onto the standard Lewisham matrix. However, very high risks on these evaluations are also reported to Executive Management Team. During 2024 we aim to include additional project risks, for example on IT and capital development works, to provide a comprehensive picture of the Council's risk environment and response.

6. Developing the Risk Management Strategy: Timeline

- 6.1. We have previously reported to Members in June and September on developing plans to refresh and improve the Council's risk management approach. We've used the timeline below in setting out intended milestones and timing for that development.



- 6.2. Progress is slightly ahead of the timeline above. We have already fully integrated former Lewisham Homes risks into the Council's reporting. We have also developed Directorate level reporting and begun regular risk updating; some Directorates are already at their second or third 'routine' update.
- 6.3. As well as regular updates to keep risks 'live' we also plan to further develop the extent and utility of information held alongside risk records. In summary, these plans include:

Fourth Quarter 2023/24

- Developing all identified risks to include scoring, target levels and planned risk mitigation actions (which are then tracked through to implementation).
- Documenting extant controls and mitigations, including commentary on the level of assurance those mitigations can provide.
- Linking risk more closely with internal audit planning to provide management with assurance on whether identified controls are effectively delivering risk mitigation.
- Providing data to teams ahead of 2024 service planning to help understand their service, support planning and refresh documented information.

First Quarter 2024/25

- Scheduling regular risk updates as an integrated part of the Council's broader governance and compliance systems.
- Linking identified risks together thematically to support recording and analysis on individual topics (e.g. recruitment, finance, IT, supplier management).
- Developing reporting dashboards to focus on change and highlighting areas of interest or concern.
- Reviewing the structure of the assurance division to ensure it can effectively support all the above, including potentially expanding the pool of risk administrators into Directorates.

Later into 2024/25

- Reviewing performance data with a view to reporting alongside relevant risks aiding sense-checking and assessing success of mitigation measures.
- Developing a range of risk matrices to support various project and regulatory compliance requirements, building Pentana Risk as a single Council-wide repository for risk and control information.
- Expanding advanced knowledge of Pentana Risk to support development of bespoke reporting within services.

6.4. We will continue to keep Members of the Audit & Risk Committee updated at each routine meeting.

7. Financial implications

7.1. Refreshing the Council's risk management approach is being delivered within existing budgets.

8. Legal implications

8.1. There are none arising direct from this report.

9. Risk Implications

9.1. This report is an update for noting, rather than decision, and so has no risk implications directly arising.

10. Equalities implications

10.1. There are none arising direct from this report.

11. Climate change and environmental implications

11.1. There are none arising direct from this report.

12. Crime and disorder implications

12.1. There are none arising direct from this report.

13. Health and wellbeing implications

13.1. There are none arising direct from this report.

14. Background papers

14.1. All relevant background papers are included as appendices.

15. Report author and contact

15.1. For any queries on the report please contact Rich Clarke, Head of Assurance on 020 8314 8730 or by email at rich.clarke@lewisham.gov.uk.

16. Appendices

16.1. Appendix A – Corporate Risk Register, November 2023