



Audit Panel

Corporate Risk Register Update Q3 2022/23

Date: 14 March 2023

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Rich Clarke, Head of Assurance

Outline and recommendations

This report updates the Audit Panel on the Council's Corporate Risks, as detailed in the Corporate Risk Register for the quarter ending 31 December 2023.

The report also advises the Audit Panel on progress on the developing Enterprise Risk Management approach at the Council. This includes, at Appendix B, the Risk Management Strategy for 2023-27, replacing the 2017-22 edition last seen by the Panel in June 2021.

Audit Panel are recommended to **note** the Corporate Risk Register and the Risk Management Strategy 2023-27.

Timeline of engagement and decision-making

The Corporate Risk Register is updated by risk owners through the year.

The Risk Management Strategy 2023-27 was approved by the Council's Executive Management Team in late November 2022 and will be implemented during 2023.

1. Summary

- 1.1. The Corporate Risk Register, detailed in Appendix A, has had minor updates since its Q2 iteration but no substantial change. We are expecting more significant changes in 2023 when we revisit the Register in full as part of implementing the new Risk Management Strategy.
- 1.2. The Risk Management Strategy, set out in Appendix B, details a refreshed approach to risk management at the Council. In particular it seeks to streamline administration of risk to focus on content, as well as expanding reporting channels to include consistent routine reports to EMT and Mayor & Cabinet on key risks.
- 1.3. A core improvement to risk management in 2023 will be using for the first time dedicated software tools. We have now selected a supplier and will be implementing the package in the early part of 2023/24.

2. Recommendations

- 2.1. The Audit Panel are recommended to:
 - **Note** this Corporate Risk Register
 - **Note** the Risk Management Strategy 2023-27

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 sound governance throughout the Council.

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>

4. Corporate Risk Register and Risk Management Strategy

- 4.1. The Corporate Risk Register in this report is the penultimate iteration identified and managed in line with the Council's Risk Management Strategy 2017-22 as reported to Audit Panel in June 2022.
- 4.2. The risks set out in the Register are updated as required by risk owners throughout the year. The Q3 Register at Appendix A shows no significant change from the Q2 edition, save some updates to actions.
- 4.3. The Council's Executive Management Team (EMT) approved a new Risk Management Strategy for 2023-27 in late November. This new Strategy, included in full at Appendix B, takes a more streamlined approach to risk management with the aim of supporting an agile, flexible Register that can be more comprehensive to risks at all levels of the Council as well as easily updated to reflect changing circumstances.
- 4.4. The full operational launch of the new Strategy will be alongside the Council's routine Service Planning round in Spring 2023. We will then take the identified operational and project risks information to help support a full refresh of the Corporate Risk Register in late Spring/early Summer. This will in turn lead to beginning the routine reporting approach set out in the Strategy in late Summer/early Autumn. That reporting approach retains the Audit Panel's role in receiving quarterly risk updates, but adds provision to include deeper information on significant operational and project risks too.

5. Financial implications

- 5.1. Following a competitive procurement exercise, we have selected a software product for supporting development of the Risk Management Strategy. Subject to final contract award, we expect to start reporting using this software in early 2023/24. The annual recurring cost of the software is less than £10k and will be met from within existing budgets.
- 5.2. There are no other financial implications arising from this report.

6. Legal implications

- 6.1. There are none arising direct from this report.

7. Equalities implications

- 7.1. There are none arising direct from this report.

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>

8. Climate change and environmental implications

8.1. There are none arising direct from this report.

9. Crime and disorder implications

9.1. There are none arising direct from this report.

10. Health and wellbeing implications

10.1. There are none arising direct from this report.

11. Background papers

11.1. All relevant background papers are included as appendices or hyperlinks within.

12. Report author(s) and contact

12.1. Rich Clarke, Head of Assurance. 020 8314 8730

13. Appendices

13.1. Appendix A: Corporate Risk Register, Q3 2022/23

13.2. Appendix B: Risk Management Strategy 2023-27

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>

Appendix A: Corporate Risk Register

Risk Matrix – Q3 2022/23

CURRENT RISK						
Risk Impact	5	2.A.4	5.B.1	2.A.3 2.B.2		2.A.2 2.A.5 5.A.1
	4		3.B.1 3.B.2 1.A.2 1.B.2	1.B.3 4.B.2 3.A.3 5.A.2 4.A.1 2.A.1	1.B.1	
	3		5.B.2 3.A.2 1.A.1 2.B.1	3.A.1 4.B.3	5.A.3	4.A.2
	2			4.B.1		
	1					
		1	2	3	4	5
		Risk Likelihood				

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>

Risk Listing – Q3 2022/23

Risk Listing									
Ref	Title	Owning Directorate	Current Score			Target Score			Notes
			Imp	Lik	Score	Imp	Lik	Score	
Current High Risks									
2.A.2	Failure in child safeguarding	Children & Young People	5	5	25	5	4	20	
2.A.5	Serious adult safeguarding concerns	Community Services	5	5	25	5	4	20	
5.A.1	Unable to maintain delivery within balanced budget	Corporate Resources	5	5	25	4	1	4	
1.B.1	Non-compliance with health & safety	Chief Executive's	4	4	16	2	3	6	
2.A.3	Non-delivery of transformational change	Chief Executive's	5	3	15	5	2	10	
4.A.2	Global commodity price increases/supply chain shortages	Corporate Resources	3	5	15	3	2	6	
2.B.2	Serious cyber security breach	Corporate Resources	5	3	15	5	1	5	
Current Moderate Risks									
1.B.3	Respond to climate change	Housing, Regeneration & Public Realm	4	3	12	3	2	6	
3.A.3	Pace of change negatively impacts service delivery & morale	Chief Executive's	4	3	12	4	3	12	
4.A.1	Failure to manage suppliers & procurement programmes	Corporate Resources	4	3	12	2	2	4	

Risk Listing									
Ref	Title	Owning Directorate	Current Score			Target Score			Notes
			Imp	Lik	Score	Imp	Lik	Score	
4.B.2	Delivery of Building for Lewisham fails	Housing, Regeneration & Public Realm	4	3	12	4	2	8	
5.A.2	Unforeseen spending/loss of income from funding streams	Corporate Resources	4	3	12	3	2	8	
2.A.1	Adequacy of internal control	Corporate Resources	4	3	12	4	2	8	
5.A.3	Loss of income - debt collection	Corporate Resources	3	4	12	3	1	3	
5.B.1	Failure to contain impacts of emergency	Corporate Resources	5	2	10	4	2	8	
3.A.1	Loss of constructive relations	Chief Executive's	3	3	9	3	2	6	
4.B.3	Failure to meet Housing standards	Housing, Regeneration & Public Realm	3	3	9	3	2	6	
3.B.1	Multi-agency governance leads to ineffective partnership work	Chief Executive's	4	2	8	4	1	4	
3.B.2	Integrated delivery models for local health & care services	Community Services	4	2	8	3	2	6	
1.A.2	Governance failing in service change	Chief Executive's	4	2	8	4	2	8	
1.B.2	Unresponsive to legislative change	Chief Executive's	4	2	8	4	2	8	

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>

Risk Listing									
Ref	Title	Owning Directorate	Current Score			Target Score			Notes
			Imp	Lik	Score	Imp	Lik	Score	
4.B.1	Failure to manage performance leads to service failures	Chief Executive's	2	3	6	2	2	4	
5.B.2	Contain impacts of COVID-19 and deliver service	Chief Executive's	3	2	6	3	2	6	
3.A.2	Maintain sufficient management capacity & capability	Chief Executive's	3	2	6	3	2	6	
1.A.1	Information governance failure	Corporate Resources	3	2	6	3	2	6	
2.B.1	ICT not fit for purpose/does not meet business needs	Corporate Resources	3	2	6	4	1	4	
Current Low Risks									
2.A.4	Elections not conducted efficiently or effectively	Chief Executive's	5	1	5	4	1	4	

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>

Risk Descriptors				
Likelihood (Horizontal 'X' Axis)				
Rating	Probability	Description 1	Description 2	
Very High (5)	>50%	More likely to occur than not	Regular occurrence. Circumstances frequently encountered - daily/weekly/monthly	
High (4)	21-50%	Likely to occur	Likely to happen at some point within the next 1-2 years. Circumstances are occasionally encountered (few times a year)	
Med (3)	6-20%	Reasonable chance	Only likely to happen every 3 or more years	
Low (2)	1-5%	Unlikely to occur	Has happened rarely	
Very Low (1)	<1%	Exceptional circumstances	Very low probability/never before	
Impact (Vertical 'Y' Axis)				
Rating	Individual Impact	Service Impact	Reputational Impact	Finance Impact
Very High (5)	Death of an individual or several people	Complete loss of services, including several important areas of service. Service disruption 5+ days. Service resource diversion up to 80%	Adverse and persistent national coverage. Adverse central govt. response, inc. poss. removal of delegated powers.	£5m+
High (4)	Severe injury to an individual or several people, requiring immediate hospitalisation	Major loss of an important service area. Service disruption 3-5 days. Service resource diversion up to 60%	Adverse publicity in professional/municipal press, affecting standing in community	£2.5m - £5m
Medium (3)	Injury to an individual, immediate hospitalisation	Major effect to important service. Disruption 2-3 days. Resource diversion 40%	Adverse local publicity/local public opinion	£1m - £2.5m
Low (2)	Minor injury to an individual or several people requiring hospital treatment	Major effect to an important service area for a short period. Service disruption 1-2 days. Service resource diversion up to 30%	Negative local publicity of a persistent nature	£500k - £1m
Very Low (1)	Minor injury to an individual requiring hospital treatment	Significant effect to non-crucial service area. Resource diversion less than 20%	Negative local publicity	£250k - £500k

As set out in Risk Management Strategy 2017-2022

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>

Risk & Action Listing – Q3 2022/23

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
COMPLY WITH THE LAW: Governance									
1.A.1	Information Governance Failure	6 (6)	3 (3)	2 (2)	YES ⇒	Executive Director of Corporate Resources	New data protection training to all staff Regular Reporting and revised policy Information asset & security audits	(none required, risk on target)	n/a
1.A.2	Governance in service change	8 (8)	4 (4)	2 (2)	YES ⇒	Director of Law, Governance & Elections	Corporate Programme Management Office Finance training for members & officers Themed budget approach	(none required: risk on target)	n/a
COMPLY WITH THE LAW: Regulatory									
1.B.1	Non-compliance with Health & Safety regulations	16 (6)	4 (3)	4 (2)	NO ⇒	Chief Executive	Directorate & Corporate working groups H&S training programme Risk assessment & audit programme	Revise corporate H&S manual Revised policies	Q4 22/23 Q4 22/23

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
1.B.2	Failure to anticipate & respond to legislative change	8 (8)	4 (4)	2 (2)	YES ⇒	Director of Law, Governance & Elections	Data observatory established	(none required: risk on target)	n/a
							Engagement with professional bodies & govt departments		
							Regular policy briefings		
1.B.3	Impact of climate change	12 (6)	4 (3)	3 (2)	NO ⇒	Executive Director for HRPR	Climate Emergency Strategic Action Plan	(No major measures scheduled before risk register update)	n/a
							Borough Resilience Forum Flood Plan		
							Air Quality plan and monitoring board. Flood risk strategy.		
SECURE SERVICES FOR USERS: Process									
2.A.1	Internal control framework adequacy	12 (8)	4 (4)	3 (2)	NO ⇒	Executive Director of Corporate Resources	Internal audit & assurance, with supporting policy and reporting framework	(None scheduled)	n/a
							Oracle project		
							Liquid logic control processes and revised control account approach		

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
2.A.2	Child safeguarding failure	25 (20)	5 (5)	5 (4)	NO ⇒	Executive Director of Children & Young People	All cases risk assessed & thresholds for access linked to statute	Improvement programme including embedding Signs of Safety	Q4 22/23
							LCS system redesigned to improve management		
							Weekly critical safety panel reviewing Quality Assurance and performance framework		
2.A.3	Strategic programme for transformation does not deliver	15 (10)	5 (5)	3 (2)	NO ⇒	Director of IT & Digital Services	Organisational Development Strategy & Project Mgmt Offic	Portfolio approach in line with corporate strategy & recruiting programme management resource.	Q4 22/23
							Strategic change boards		
							Building focus and capacity		
2.A.4	Elections not conducted in line with law	5 (4)	5 (4)	1 (1)	NO ⇒	Director of Law, Governance & Elections	Overall project plan Extensive staff training and engagement	(None)	(N/A)

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
2.A.5	Failure in Adult Safeguarding	25 (20)	5 (5)	5 (4)	NO ⇒	Director of Adult Social Care	LSAB provided with regular reports, including monthly case audits	None scheduled	N/A
							Safeguarding adults policy and procedures ensuring Care Act compliance		
							SAR Board with governance arrangements and referral process		
SECURE SERVICES FOR USERS: Technology									
2.B.1	IT not fit for business need purpose	6 (4)	3 (4)	2 (1)	NO ⇒	Executive Director of Corporate Resources	Directorate participation in corporate PMOs. IT Triage process	Rolling capital investment programme to replace infrastructure	Annual updates, next Q4 2022/23
							Dedicated support for key line of business systems		
							Review BCPs with Emergency Planning team		
2.B.2	Cyber security breach corrupts or locks down Council systems or data	15 (5)	5 (5)	3 (1)	NO ⇒	Executive Director of Corporate Resources	Improved controls on admin-level access	Cloud-based authentication through MS365	Q4 22/23
							Cyber Strategy & response policy approved		
							Online backups and disaster recovery testing		

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
DEVELOP STAFF & PARTNERS: Workforce									
3.A.1	Loss of constructive employee relations	9 (6)	3 (3)	3 (2)	NO ⇒	Head of HR	Refreshed people management including employee assistance Extended union engagement and staff networks Pulse surveys across a diagonal slice of staff	Staff survey action planning	Q4 22/23
3.A.2	Failure to maintain sufficient management capacity & capability to deliver business and implement change	6 (6)	3 (3)	2 (2)	YES ⇒	Chief Executive	All EMT posts are permanently filled and Director level posts appointed OD Strategy in place	(None, risk at target)	N/A
3.A.3	Pace of change negatively impacts service delivery and employee morale	12 (12)	4 (4)	3 (3)	YES ⇒	Head of HR	Regular staff and management communications from CEX Together Lewisham Staff Network & Leading Together Lewisham New appraisal process launched	Develop People Management Strategy	Q4 2022/23

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
DEVELOP STAFF & PARTNERS: Partnerships									
3.B.1	Multi-agency governance leading to ineffective partnership working	8 (4)	4 (4)	2 (1)	NO ⇒	Chief Executive	Regular meetings in place and liaison with all key partners & stakeholders	None currently planned	N/A
							Strategic Partnership Boards in place and actively supported		
3.B.2	Failure to agree with partners integrated delivery models for local health & care services	12 (4)	4 (2)	3 (2)	NO ⇒	Executive Director Community Services	Partnerships in place across health & social care including monitoring initiatives.	Develop proposals for Commissioning Alliance	Q4 22/23
							Integration planning, including joint posts and whole system recovery plan		
							Strategic Commissioning Function developed		
SERVICES REPRESENT VFM: Procurement									
4.A.1	Failure to manage strategic suppliers and related procurements	12 (6)	4 (3)	3 (2)	NO ⇒	Executive Director of Corporate Resources	Contract management toolkit and supporting training plus contract mgmt dashboard	Contract management dashboard to be developed in use	Q4 22/23
							Social Value reporting		

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
							Contract Compliance checklist	Additional team recruitment	Q4 22/23
4.A.2	Global commodity price increases or supply chain shortages	15 (6)	3 (3)	5 (2)	NO ⇒	Executive Director of Corporate Resources	Monitoring prices through contract management framework Using variation clauses as required Market engagement and benchmarking	Review supply chain specifications and seek alternatives where possible	Monthly financial reporting
SERVICES REPRESENT VFM: Performance									
4.B.1	Failure to manage performance leads to service failure	6 (4)	2 (2)	3 (2)	NO ⇒	Chief Executive	Director sessions as part of SLT One Council approach to collaborative work Reporting to EMT	Embed programme and project mgmt approach New corporate performance dashboard	Q4 22/23 Q4 22/3
4.B.2	Building for Lewisham programme fails to make full use of	12 (8)	4 (4)	3 (2)	NO ⇒	Executive Director for HRPR	Changes to planning schemes to improve viability, including using 40% of RTB receipts. High level GLA Grant.	Annual financial assumptions review	Q4 22/23

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
	available funding streams and/or exceeds financial parameters						Monitoring KPIs for Shared Ownership Sales and Quarterly financial reviews. Sensitivity analysis inc. reviewing other LAs		
4.B.3	Failure to meet housing standards	9 (6)	3 (3)	3 (2)	NO ⇒	Director of Housing Services	<p>LBL Self-Referral to the Regulator following issues highlighted by ITV programme.</p> <p>Closely monitoring Lewisham Homes Updated clienting, including KPIs and quarterly monitoring.</p>	Lewisham Homes integration ongoing	Late 2023
MANAGE WITHIN BUDGET: Financial									
5.A.1	Financial failure and inability to maintain service delivery within a balanced budget	25 (4)	5 (4)	5 (1)	NO ⇒	Executive Director of Corporate Resources	<p>Audited financial statements, MTFS, regular reserves and provisions monitoring.</p> <p>Financial planning addressing pressures and balanced budget.</p> <p>Comprehensive financial planning.</p>	<p>Continued in-year savings plans</p> <p>Monitor local government finance changes</p>	<p>Rolling, but review Q4 2022/23</p> <p>Q4 2022/23</p>
5.A.2	Lack of provision for unforeseen	12 (6)	4 (3)	3 (2)	NO ⇒	Executive Director of	Expert valuations of pension fund and insurance provisions	Monitoring large income streams	Rolling, but review Q4 2022/23

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
	expenditure or loss of income from funding streams					Corporate Resources	Provisions and reserves strategy Monitor and contribute to consultations on future of LG finance		
5.A.3	Failure to collect debt	12 (3)	3 (3)	4 (1)	NO ⇒	Executive Director of Corporate Resources	ASC charging policy Additional resource for debt collection team LL and Controc systems aligned	(None)	N/A
MANAGE WITHIN BUDGET: Business Continuity									
5.B.1	Failure to effectively contain impact of emergency affecting public, business, environment	10 (8)	5 (4)	2 (2)	NO ⇒	Executive Director of Corporate Resources	On-call emergency planning rota and training with London wide standardised packages. BC Management programme using Resilience Standards for London Quarterly Borough Resilience Forum with annual tests	(None)	N/A

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>

Ref	Risk Title	Current Risk & (Target Risk)	Current Impact (Target)	Current Likelihood (Target)	On Target? Travel	Risk Owner	Major Current Controls	Future Measures	Future Measures Date
5.B.2	Failure to effectively contain ongoing impacts of Covid-19	6 (6)	3 (3)	2 (2)	YES ⇒	Chief Executive	Covid risk register, reviewed by multi-agency partnership with established sub groups Service priorities determined and planned. Ongoing monitoring and connection to London situation reporting	(None)	N/A

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>