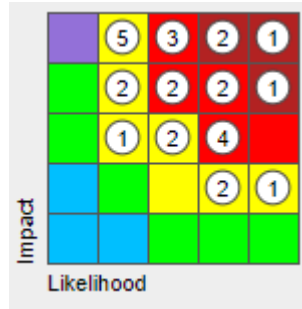


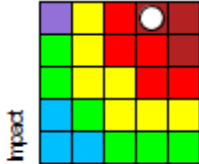


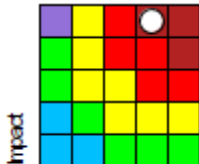
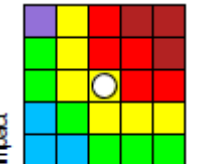

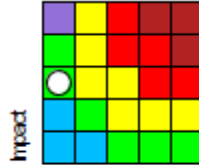

# Audit & Risk Committee Report

Generated on: 30 August 2024



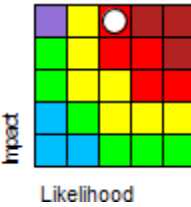
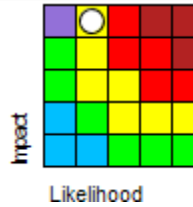

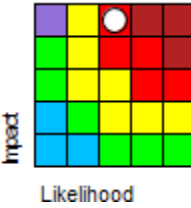
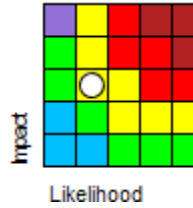

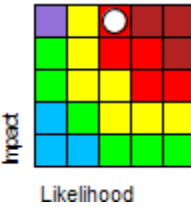
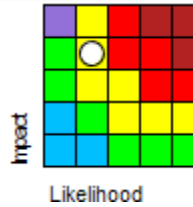
## Very High Risk

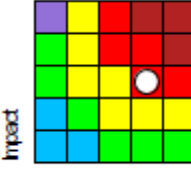
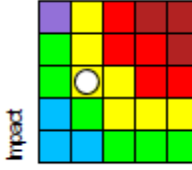

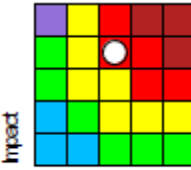
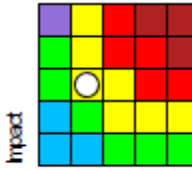

Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
LBL001 Failure to achieve full regulatory compliance for Council Housing Stock  <b>Gillian Douglas</b>	Following governance failure, incomplete or ineffective maintenance or not keeping up with requirements the Council <b>fails to achieve full regulatory compliance for Council Housing Stock</b> increasing risk to residents' safety, increasing liability and repair cost and reducing ability to use housing stock to support residents.			■	19 Aug 2024  The regulatory notice issued by the Regulator of Social Housing has been in place since 26/3/24 and we present improvement data monthly. Progress is being made but the following indicators indicate significant areas of non-compliance :  24% of homes non-decent  Repairs WIP reduced but still over 8,000  Overdue fire safety actions 2,548 as at 12/8/24.

Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
LBL002 Gillian Douglas	Unable to effectively improve housing stock Owing to incomplete or inaccurate stock condition information, lack of resources to secure improvement, poor project management for works or continued unexpected deterioration the Council is <b>unable to effectively improve its housing stock</b> resulting in higher maintenance costs, poor quality housing for tenants, increased health and safety risk with Council liability and not achieving key corporate objectives from Lewisham Homes merger.				19 Aug 2024  The Housing Capital Programme is projected to spend £72m in 2024/25, of a total budget of £82m. The risk remains at assessed level as it will take some time to develop the programme in such a way that it targets the stock in poorest condition, as indicated by the stock condition survey and our repairs, damp and mould and disrepair data.
LBL011 David Austin	Loss of overall financial control Because of significant overspends that are insufficiently responsive to control and demand management efforts the Council may <b>lose overall financial control</b> resulting in severe further service reduction or need to consider s114 reporting.			<b>New!!</b>	10 Jul 2024  Risk revised from previous description on risk of overspends to recognise reality of the Council experiencing significant persistent overspends. Risk now focuses on the potential impacts of that situation to concentrate on measures available to mitigate significant negative impacts.
LBL021 Gillian Douglas	Housing Management Software Implementation Failure Following supplier issues, resource constraints, ineffective project management or error we <b>do not effectively implement the new Housing Management Software</b> leading to increased financial risk, data loss and poor customer service.				19 Aug 2024  Delays in system implementation and the problem-solving required to achieve functionality are impacting on rent collection in general needs and temporary accommodation. Automation is expected to go live 30/8/24 which will enable income collections teams to tackle arrears and low collection rates more effectively and work towards BAU levels of performance.

## High Risk


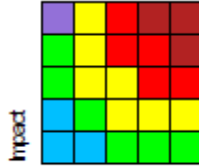

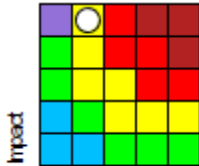


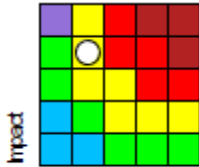


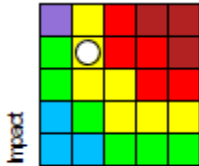


Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
LBL003 Non-Compliance with Health & Safety At Work Act Regulation  <b>Jennifer Daothong</b>	Following weak governance, ineffective management, poor procedure or unaddressed incidents the Council <b>does not comply with health and safety regulation</b> resulting in increased threat to safety, financial liability and prosecution risk.				15 Aug 2024  Resignation of key employee pushes up likelihood but no immediate change to score because of anticipated ability to fill vacancy with limited time gap. Will review and revise risk score pending progress of recruitment exercise.
LBL013 Cost of Living Impact on Residents  <b>David Austin; Pinaki Ghoshal</b>	Continued wider economic uncertainty heightens the <b>cost of living impact on residents</b> increasing service delivery demand and reducing income collection rates.				10 Jul 2024  Risk remains high with respect to income and debt collection rates impacting Council financial projections.  Household Support Grant extended for a further 6 months allowing support provided by this grant to continue. The continued short-term extension of the grant has hampered the development of a longer-term strategic response, however through the Cost of Living programme targeted support across a number of areas of need still available to residents
LBL020 Building For Lewisham Programme Failure (has sub-risks)	Due to financial constraints, unexpected circumstances, supplier failure, economic uncertainty or contractual issues the <b>building for lewisham programme fails to deliver its objectives</b> resulting in				21 Aug 2024  Highest individual component risks are: (1) Financial constraints, (2) Unexpected events

Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
<b>Nazeya Hussain</b>	overspends, poor/non-complete buildings, loss of income and reputational damage.				and (3) Economic uncertainty impacting the scheme.
LBL009 Significant Cyber Security Breach <b>David Austin</b>	Because of failure in IT security, or novel attack the Council suffers a <b>Significant Cyber Security Breach</b> which widely disrupts systems or data, places data security at risk and severely inhibits usual ways of working.				18 Oct 2023
LBL014 Major procurement failure <b>David Austin</b>	Due to compliance failure, market issues, deliberate malfeasance or errors in process the Council experiences a <b>major procurement failure</b> resulting in gap or loss of service, increased cost, poor contractual terms, damaged relationships or heightened risk of legal liability				10 Jul 2024  Risk score held as reduced forthcoming major procurement menu offset by increased risk from housing procurement frameworks. Familiarity with new control processes also still embedding.
LBL023 Significant underperformance or disruption in partner IT (STS) <b>David Austin</b>	Due to staffing vacancy, technical failure, supply chain difficulty or insufficient funding or decisions made by partner authorities the Council's <b>IT arrangements delivered through the STS partnership experience significant disruption or underperformance</b> resulting in poor performance, reduced service effectiveness, impacted staff morale, increased cost of remedy and increased risk of data loss.			<b>New!!</b>	10 Jul 2024  New risk arising from division of previous LBL015 into "core" and "STS" IT delivery components. The core IT service delivery now recognised on Corporate Resources risk register, STS retained as corporate risk owing to greater exposure (e.g. STS responsible for infrastructure).

Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
LBL004 Workforce attraction and retention  <b>Jennifer Daothong</b>	Following lack of competitive offer, cumbersome recruitment processes, reputation as an employer, employment market challenges, financial restrictions, failure of succession planning or poor management the Council cannot effectively <b>attract or retain sufficient workforce</b> leading to increased workload and stress among remaining staff, inability to achieve service goals, failure to retain a representative workforce, loss of organisational memory and increased spend on temporary/agency employees.				07 Nov 2023
LBL008 Disruption to services following major supplier failure  <b>Jennifer Daothong</b>	Following failure to manage relationships, supplier malfeasance, poor economic conditions or difficult contractual arrangements the Council experiences <b>failure of a major supplier</b> resulting in increased expense, disruptions in service or service failure, increased risk of legal liability.				07 Nov 2023

## Moderate Risk

Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
LBL010 <b>David Austin</b>	Inability to set a balanced budget Due to chronic lack of resources, failure to agree savings, or governance failure the Council is <b>unable to set a balanced budget</b> leading to s114 notice and Government intervention with significant impairment in ability to deliver services.			▬	10 Jul 2024  In the short-term (i.e. looking ahead 12 months), this risk assessed with a low likelihood based on the Council's reserve position.
LBL012 <b>David Austin</b>	Significant Internal Control Failure Owing to failure to implement effective control framework for key business activity, poor culture, or inability to identify and deal with bad actors the Council suffers a <b>significant internal control failure</b> leading to financial or asset loss, significant reputational damage or service delivery failure.			▬	10 Jul 2024  2023/24 Annual Governance Statement reports Satisfactory performance of overall governance framework. Conclusion backed by final Grant Thornton opinions with KPMG opinion awaited later in the year.
LBL017 <b>Pinaki Ghoshal</b>	Major Child Safeguarding Failure Following management failure, poor practice, or mistaken risk assessments the Council experiences a <b>major child safeguarding failure</b> resulting in significant reputational damage, financial liability and service failure in addition to impacts on the affected family.			▬	07 Aug 2024  Impact and likelihood is unchanged. Involvement in a DfE funded Pathfinder programme should help to improve our multi-agency response to risk of harm to children
LBL018 <b>Tom Brown</b>	Major Adult Safeguarding Failure Following management failure, poor practice, or mistaken risk assessments the Council experiences a <b>major adult safeguarding failure</b> resulting in significant reputational damage, financial liability and service failure in addition to impacts on the affected individual(s).			▬	07 May 2024  This continues to be a live risk, but equally continues to be managed and likelihood is low.

Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
LBL019 Failure to deliver climate emergency strategy  <b>Nazeya Hussain</b>	Because of resource limits, varying political will, poor governance, a lack of clarity on what delivery means or increased challenge the Council <b>fails to deliver its climate emergency strategy</b> resulting in environmental damage, loss of local leadership reputation and increased mitigation costs.	 Likelihood	 Likelihood		08 May 2024
LBL022 Loss of power in corporate buildings  <b>Jeremy Chambers</b>	Owing to insufficient arrangements, poor maintenance or external events the Council <b>cannot guarantee power resilience in its corporate buildings</b> leaving staff unable to operate services, placing vulnerable service users at risk and leading to financial loss.	 Likelihood	 Likelihood		14 Feb 2024
LBL006 Major Information Governance Failure  <b>Jeremy Chambers</b>	Following inadequate training, poor handling practice, ineffective oversight, human error or deliberate malfeasance the Council experiences a <b>major information governance failure</b> resulting in reputation damage, increased risk of enforcement action and inefficient service operation.	 Likelihood	 Likelihood		15 May 2024
LBL007 Significant legislative change  <b>Jeremy Chambers</b>	Following failure to anticipate, poor preparation, lack of consultation or limited change capacity the Council experiences detriment from <b>significant legislative change</b> resulting in increased expense to meet modified duties, service disruption during change or increased risk of non-compliance with legal duty.	 Likelihood	 Likelihood		15 May 2024

Code, Title & EMT Owner	Description	Current Risk Matrix	Target Risk Matrix	Trend Icon	Last Assessed & Latest Note
LBL005 Sharp decline in employee morale  Jennifer Daothong	Following poor management, wider economy employee relations issues or mishandled change the Council sees a <b>sharp decline in employee morale</b> resulting in increased absenteeism, workforce attraction and retention issues and reduced service delivery.				07 Nov 2023

### Impact and Likelihood Definitions

<p><b>Impact 1 Lowest Impact</b> Lowest impact, will temporarily divert resources but likely cause no significant lasting impact on objectives.</p> <p><b>Impact 2 Small impact</b> Small impact, will divert resources and provide some limitations but not likely to significantly impact material achievement of objectives.</p> <p><b>Impact 3 Moderate Impact</b> Moderate impact, will allow continued progress toward objectives until resolved.</p> <p><b>Impact 4 Large Impact</b> Large impact, will temporarily stall or seriously impair progress towards objectives until resolved.</p> <p><b>Impact 5 High Impact</b> Highest impact, will effectively prevent progress toward objectives until the risk event is resolved.</p>	<p><b>Likelihood 1 Extremely Unlikely</b> Extremely Unlikely, around a 1 in 1,000 chance</p> <p><b>Likelihood 2 Very Unlikely</b> Very Unlikely, around a 1 in 250 chance</p> <p><b>Likelihood 3 Unlikely</b> Unlikely, around a 1 in 50 chance</p> <p><b>Likelihood 4 Possible</b> Possible, around a 1 in 10 chance</p> <p><b>Likelihood 5 Probable</b> Probable, around a 1 in 2 chance</p>
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