

Report to Audit Committee

Subject: Corporate Risk Management Review Quarter 2 2025/26

Date: 9th December 2025

Author: Chief Finance and Section 151 Officer

1. Purpose of the Report

To update members of the Audit Committee on the current level of assurance that can be provided against each corporate risk.

Recommendations:

That Members:

- Note the current risk level and actions identified within the Corporate Risk Register.

2. Background

The current Risk Management Strategy & Framework was approved and adopted by Cabinet on 28 March 2024. Following adoption of the new framework, a project has been underway to simplify the process of risk review and management by using the Council's performance management system, Ideagen to track risk.

All Assistant Directors and Senior Managers have now received training and individual workshop sessions on the content of the new Risk Management Framework and have completed a review of departmental risks in the new Ideagen system. All risks are scored using the new scoring matrix in the framework (appendix 2) and all scores have been provided to show the gross risk (risk level at it's highest level without controls), the residual risk (the current risk score with controls) against the risk appetite score of the Council which is currently moderate, as approved within the framework.

As part of risk review, where departmental risks increase to red this is likely to impact on the overall corporate risk linked to that departmental risk.

The risk framework sets out the context on how risks are to be managed. It defines the key role for the Audit Committee as providing independent assurance to the Council with regard to the effectiveness of the risk management framework and the associated control environment. This includes the monitoring of the framework and ensuring the implementation of all audit actions.

3. Corporate Risk Register

The Corporate Risk Register is a key enabler of the Strategy and Framework and provides assurance on the key risks identified as corporate risks. All risks are now monitored through the Council's Corporate Risk Board which meets every other month. Any significant risk changes raised through the board and flagged in departmental registers are then highlighted to Senior Leadership Team to determine any mitigatory actions.

Despite a lot of work on actions and movements in Departmental Risks (which are being monitored by departments) the overall Corporate Risks have only resulted in 1 risk decreasing in Quarter 2 and no risks increasing. The full details are included on the scorecard at Appendix 1.

There has been a slight decrease in Risk 7 Infrastructure Assets. The decrease in this risk levels list due to a number of factors including:

- The Large Garage Demolition having commences and due to be completed shortly, which removes many risks around this assets and associated Health & safety Risks.
- The Contract for Condition surveys on both Council owned assets and temporary Accommodation has gone out for procurement.
- Additional safety measures have been put into place in the Mapperley Tunnel.

Whilst work on actions and mitigations for this risk continues it remains high due to the outcome of the condition surveys not yet being known, these may identify further risks that will be need to be addressed. In addition, draining issues at Carlton Forum continue, whilst some work has been carried out it has not resolved the issue and the risk on this asset remains high.

During Quarter 1 risk 2 around Capacity increased. Whilst pressure on some teams has been resolved with successful recruitments there has been loss of staff in other areas. It is worth Audit Committee noting that Local Government Reorganisation may have an impact on the Councils ability to retain staff over the next few years and will have a further impact on the Councils ability to ensure adequate capacity withing teams. In addition, staff continue to be lost to other Local Authorities and also to private companies (especially in the professional fields) as the Council is unable to match higher salaries elsewhere, particularly in the private sector.

Risk 6 on Reputation remains high despite some key actions being completed, The new website is nearing completion, and the reduction on Bed & Breakfast accommodation has decreased due to the Councils policy to purchase properties

for use as temporary accommodation. However, the issues around waste and the number of complaints continued in Quarter 2 with a spike in the summer. The interventions put in place by management have resulted in the number of complaints and issues reducing in September, this is set to continue with significantly less in Quarter 3. Therefore, whilst this risk remain high in Quarter 2 Audit Committee will be please to know that we expect this to reduce in Quarter 3.

There was also a decrease in risk level on risk 3 Health and Safety at Work in Quarter 1, whilst there has been a lot of work undertaken on actions and mitigations it is felt that the risk cannot be further reduce at this stage but is likely to decrease during the remainder of the year.

The Council's risk appetite is moderate, ideally all risks should be yellow or below, it is however accepted that the Council may take a higher tolerance to risk in some areas versus the reward, this decision is taken on a case by case basis.

The Corporate Risk Register and supporting comments as at the end of September 2025 are appended to this report, and this includes a summary of all control gaps identified on the Council's Corporate Risk Register and any actions added to reduce the risk level further.

4. Financial Implications

None arising directly from this report.

5. Legal Implications

None arising directly from this report, the report is to provide reporting, in line with the Council's Risk Management Framework which is a requirement of the Accounts and Audit Regulations 2015.

6. Equalities Implications

None arising directly from this report, although EIA of all risks should be considered as part of any actions identified and controls in place.

7. Carbon Reduction/Environmental Sustainability Implications

None arising directly from this report, although Carbon Management forms part of the Environment category on the Corporate Risk Register.

8. Appendices

Appendix 1 - Corporate Risk Register Monitoring – Quarter 2, period ending 30 September 2025

Appendix 2 - Risk Management Scoring Matrix

Appendix 3 – Risk Definitions

Statutory Officer Approval

Approved by: Chief Financial Officer
Date:

Approved by: Monitoring Officer
Date:

APPENDIX 2 - RISK MANAGEMENT SCORING MATRIX AND RISK APPETITE

	Minor/Non-Disruptive Impact (1)	Moderately Disruptive Impact (2)	Serious Consequences (3)	Major Consequences (4)
Very Likely (4)	4 (Yellow)	8 (Orange)	12 (Red)	16 (Red)
Probable (3)	3 (Yellow)	6 (Orange)	9 (Orange)	12 (Red)
Possible (2)	2 (Green)	4 (Yellow)	6 (Orange)	8 (Orange)
Unlikely (1)	1 (Blue)	2 (Green)	3 (Yellow)	4 (Yellow)

Risk Levels	Colour
Negligible Risk	Blue
Low Risk	Green
Modest Risk	Yellow
Medium Risk	Orange
High Risk	Red

APPENDIX 3 – RISK DEFINITIONS

LIKELIHOOD

4	Very Likely >90%	<ul style="list-style-type: none"> • Event expected to occur. Has occurred and will continue to do so without action being taken. • Indication of imminent occurrence • There are external influences which are likely to make our controls ineffective
3	Probable 60-90%	<ul style="list-style-type: none"> • There is a moderate exposure to the risk. • Reasonable to expect event to occur within a year. • Has occurred in the past. • Is likely to occur within the Council's planning cycle. • There are external influences which may reduce effectiveness of controls
2	Possible 30-60%	<ul style="list-style-type: none"> • There is a low exposure to the risk. • Little likelihood of event occurring - 1 in 10 years • There is a potential for external influences which may reduce effectiveness of controls
1	Unlikely 0-30%	<ul style="list-style-type: none"> • Extremely remote • Not expected to occur but may do so in exceptional circumstances - 1 in 100 years. • There are few or no external influences which may reduce effectiveness of controls

IMPACT

Score	Description	Indicative Guidelines
4	Major Consequences	<p>The consequence is so bad that urgent action must be taken to improve the situation or prevent it worsening. External support from the Government or other agencies is likely to be needed:</p> <ul style="list-style-type: none"> • Catastrophic loss, delay, or interruption to services • Level of financial loss, additional costs, or loss of assets which the Council is unable

		<p>to resource without additional Government/External support.</p> <ul style="list-style-type: none"> • One off event which would de-stabilise the Council over several years. • The risk will cause the objective not to be reached, causing damage to the organisation's reputation. • Will attract medium to long-term attention of legislative or regulatory bodies. • Major complaints • Significant adverse media interest • Death or life-threatening injury
3	Serious Consequences	<p>The consequences are sufficiently serious to require attention by Cabinet and/or full Council:</p> <ul style="list-style-type: none"> • Loss of key assets or services for an extended time period. • Longer term impact on operational efficiency or performance of the Council or crucial service areas • Financial loss, additional costs or loss of assets which would need a Council decision as the scale of the loss would be outside the Council's budget & policy framework. • The risk would destabilise the Council in the short term. • The intended objectives are unlikely to be met leading to negative impact on the Council's reputation and a significant number of complaints. • Will lead to attention for regulators and External Auditors for a significant time. • Major accident/injuries (but not life-threatening)
2	Moderate/ Disruptive	<p>The consequence is sufficient to require attention by Leadership Team and cannot be managed within a Service Area</p> <ul style="list-style-type: none"> • Significant loss, delay, or interruption to a service. • Medium term impact on operational efficiency or performance • Financial loss, additional costs or loss of assets that is within the Council's budget & policy framework but needs a Statutory Officer decision, Leadership Team

		<p>decision, Cabinet decision or needs to be drawn to Cabinet's attention.</p> <ul style="list-style-type: none"> • The risk will cause some elements of the objective to be delayed or not achieved, causing potential damage to the organisation's reputation. • May attract medium to short term attention of legislative or regulatory bodies. • Significant complaints • Serious accident / injury (but not life threatening)
1	Minor/Non-Disruptive	<p>The consequences can be dealt with as part of the normal day-to-day business by the Team Manager and the Head of Service:</p> <ul style="list-style-type: none"> • Minor loss, delay, or interruption to services • Short term impact on operational efficiency or performance • Negligible financial loss • The risk will not substantively impede the achievement of the objective, causing minimal damage to the organisation's reputation. • No or minimal external interest. • Isolated complaints • Minor accident / injury