

Report to Audit Committee

Subject: Update of Risk Management Framework

Date: 9 December 2025

Author: Deputy Chief Executive

Purpose

To seek approval to recommend updates to the Risk Management Strategy to Cabinet for adoption.

Recommendation

That Members:

- 1) Recommend to Cabinet, the adoption of the amended Risk Management Framework at Appendix 1 to this report.

1 Background

1.1 In March 2024, Cabinet approved a new Risk Management Framework following recommendation from Audit Committee. This framework has driven the change to the risk management processes across the organisation. Since the adoption of the framework significant work has been undertaken to improve the way the Council manages risk including the following:

- Adoption of a new Corporate Risk register
- All risks are now monitored through the Council's performance management system Ideagen
- Establishment of the Council's Corporate Risk Board to oversee operational risk across the organisation and ensure compliance with the framework
- Training and workshops have been undertaken with those responsible for risk management to ensure better understanding of the framework and how risks should be recorded and monitored

- 1.2 The Accounts and Audit Regulations 2015 require the Council to ensure that it has a sound system of internal controls which includes the effective management of risk. It is key that as the Council takes on more ambitious projects and transforms the way it works both in terms of digital improvements and service provision, that its risk management processes remain robust.
- 1.3 The risk management process was subject to a review by internal audit in August 2025 resulting in substantial assurance being given for design and moderate assurance for effectiveness. This was an improved position for the Council. As a result of the audit there was one recommendation in relation to the Risk Management Framework. The recommendation was that clearer guidance was provided in relation to the identification and description of risks to align with the Government's Orange Book guidance on risk definition.
- 1.4 Following on from the audit and the changes to the council's risk processes, a review of the framework has been undertaken. This review was to ensure that the framework remained up to date, particularly in relation to the creation of the Corporate Risk Board which was not in place when the framework was adopted and to reflect the audit recommendation.
- 1.5 As part of the Strategy element of the framework, the Council have used the ALARM National Performance Model for Risk Management in Public Services, which provides a self-assessment tool for authorities to grade themselves in terms of how well risk management is embedded within the organisation. The "rating" goes from 1 – 5 across 7 categories. At the time the Framework was adopted, Senior Leadership team assessed the Council's risk management position at level 3 "Working" – as there were adequate risk processes in place, however under the new Framework it was hoped that the Council would move into the level 4 standard "Driving" within the Gedling Plan period to 2027. On review of the framework and following the extensive work undertaken to improve risk processes, SLT have again assessed the Council's position under the ALARM Model. There has been an improvement in the position with the majority of categories now scoring at level 4 – Driving.
- 1.6 The Risk Appetite statement, within the framework is a declaration of the Council's risk appetite and must be agreed, along with the Framework by Cabinet. Based on the risk scoring matrix, the Council's risk appetite level has been set at Moderate – Tending always towards exposure to only modest level of risks in order to achieve acceptable outcomes. It is against this risk appetite level that risks are assessed and scored. Whilst this is the Council's overall risk appetite, every risk will be assessed and in some instances, a higher level of risk may be acceptable depending on the

outcomes delivered. In practical terms this will be visible to Audit Committee through quarterly reporting of risks to the Committee. It is not proposed that there are any changes to the Council's risk appetite at this time.

2 Proposal

- 2.1 It is proposed that the Audit Committee, recommend the amendments to the Risk Management Framework at Appendix 1 to Cabinet for approval. The amendments are shown in red for clarity and reflect the new score under the ALARM assessment, provide clarity in relation to the role of the Corporate Risk Board and expand the guidance on identification of risks by referencing the Government's Orange Book guidance as recommended by internal audit.

3 Alternative Options

- 3.1 The Committee could determine not to recommend amendments to the Risk Framework for adoption, however the framework has been reviewed based on input from internal audit, and Senior Leadership Team and is considered to be necessary to ensure the framework remains fit for purpose and reflects the Council's current arrangements for managing risk.

4 Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5 Legal Implications

- 5.1 The Accounts and Audit Regulations 2015 require the Council to have sound systems of internal control in relation to risk. This Framework supports this requirement.

6 Equalities Implications

- 6.1 Appendix 2 Equality Impact Assessment

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 There are no carbon reduction/environmental sustainability implications arising from this report.

8 Appendices

- 8.1 Risk Management Framework Amended
Equality Impact Assessment

9 Background papers

- 9.1 Gedling Borough Council Internal Audit Report – Risk management August 2025

Statutory Officer approval

Approved by the Chief Financial Officer

Date:

Drafted by the Monitoring Officer