

Report to Audit Committee

Subject: Corporate Risk Management Review Quarter 3 2025/26

Date: 24th February 2026

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. The Council's risk profile is tracked through the Council's risk management system, Ideagen.

All risks are scored using the 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.

There has been a lot of work on actions and movements in Departmental Risks (which are being monitored by departments) over quarter 3 which demonstrates positive engagement from risk owners. The overall Corporate Risks show five risks decreasing, none increasing and eight staying the same in Q3.

There has been a slight decrease to Risk 1 Finance. This follows the governments release of the Fair Funding review and the three-year settlement figures which gives Gedling some funding certainty for the next three financial years. Whilst the Medium-Term Plan does still have considerable risks, particularly on the later years, in the short term the budget is balanced to 2028/29 without the need for additional efficiencies (other than those already identified). The risk does remain high.

There has been a slight decrease in Risk 2 Capacity in Service Delivery. This risk increased to risk level 12 in quarter 1 due to noticeable impacts on capacity in Environmental Operations as a result of sickness both long and short term and was reflected through increases in complaints to the service. There have been significant improvements to the management of sickness absence in that area and a new Absence Management Policy was approved in Q3. There has been some improvement in capacity in this area and a reduction in complaint levels. The risk organisationally has reduced to a 9 which is positive but still higher than target as there are risks associated with capacity as a result of LGR where some key staff members have secured alternative employment in Q3.

Linked to the improvement in capacity and service delivery in waste services there has been a reduction in the Risk level of Reputational risk from a 6 to a 4. This is a result of the significant reduction in complaint levels in Q3 where there has been a 55% reduction in complaint volume in Waste Services compared to Q2 and a 77% reduction in complaints in relation to missed bins. This is a result of the huge efforts of our Waste Services team and the positive impact of Whitespace implementation which has been a cross -Council project with significant input from out Transformation and ICT teams.

There has also been a reduction in the risk level for Service Standards and Performance following a much-improved performance position in Q3 and a reduction in complaints (as previously highlighted). The risk level has reduced from

6-4. There have been a number of actions commenced or completed in quarter 3 including equality, diversity and inclusion training roll out to depot and civic staff and the creation of a new Corporate Legacy plan and Annual delivery Plan to be approved in Quarter 4.

Risk number 11 Fraud Bribery and Misconduct has also slightly reduced to reflect the actions that have been undertaken over the past 12 months, and the value for money conclusion of the external auditors which states the serious weakness which was previously unidentified no longer exists. In addition, user access for the main financial system has now been removed to the ICT department and there has been a lot of work being undertaken in departments to identify departmental fraud risks, controls and mitigations. The risk does remain high as there are still some actions that need to be completed but we hope to see this risk reduced further as actions are progressed in the final quarter on 2025/27 and going into 2026/27.

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 December 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 3, period ending 31 December 2025

Appendix 2 - Risk Management Scoring Matrix

Appendix 3 – Risk Definitions

Statutory Officer Approval

Approved by: **Chief Financial Officer**
Date: **13 February 2026**

Approved by: **Monitoring Officer**
Date **13 February 2026**

