

Report to Audit Committee

Subject: Update of Risk Management Framework

Date: 23 June 2026

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 and reports risk and following an internal audit of the risk management process in August 2025 which resulted in a substantial assurance for design and moderate assurance for effectiveness, a further review of the framework was completed in December 2025.
- 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. As the Council moves towards a period of change with Local Government Reorganisation, a more focused approach has been taken to the setting of Council priorities for 2026-28 through the approval of the Gedling Legacy Plan which sets out the Council's priorities for the next 2

years.

- 1.3 In order to support delivery of the Gedling Legacy Plan, a review of the Council's current governance structures has been undertaken. In particular, consideration has been given to the effectiveness of the Council's Corporate Risk Board and Budget and Performance Board which are officer boards established to ensure better and more effective management of risk and performance across the organisation. As a result of the review and following consultation with Senior Leadership Team and risk board members, it has been recommended that the Corporate Risk Board merge with the Council's Budget and Performance Board. This will ensure better alignment in the review of performance, budget and risk. In addition, the reporting of all three has been aligned to mirror the budget reporting process of 4 monthly reporting. The Risk management Framework has been updated to reflect this change.
- 1.4 Following recommendations from Audit Committee in relation to the current Corporate Risk Register and the need to reflect Local Government Reorganisation within it, a review of the Corporate Risk register has been undertaken by the Corporate Risk Board and Senior Leadership Team to ensure that corporate risks truly reflect the rising risks facing the organisation at the current time including LGR and other external impacts which present a risk to the organisation.
- 1.5 The Corporate Risks have been amended and have reduced from 13 to 10 Corporate Risks they can be found at Appendix 2 of the Risk Framework. The key changes are:
- Some of the risk headings have been combined to ensure more effective tracking, for example, performance has been linked with projects and priorities, ICT and Data Security have been combined.
 - A new risk has been added in relation to Local Government Reorganisation (LGR).
 - The current corporate risk of capacity has been removed as it is recognised that this is in fact an outcome of a number of other risks including potentially LGR.
 - A new risk of compliance has been added to ensure effective management of risks in relation to compliance with health and safety, procurement, data protection and a range of other legislative requirements.

- Finally, the Environment risk has been expanded to cover any external environment or socio-economic risk which may impact the organisation including, climate change, emergency planning events and war. The new Corporate Risks are included at Appendix of the Risk Management Framework.

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.

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, Senior Leadership Team and risk owners and is considered to be necessary to ensure the framework remains fit for purpose and reflects the Council's current arrangements for managing risk and the current key risks facing the organisation.

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 None

10 Local Government Reorganisation

10.1 The Corporate Risks have been reviewed and amended to reflect the risks associated with LGR.

Statutory Officer approval

Approved by the Chief Financial Officer

Date:

Drafted by the Monitoring Officer