Nottinghamshire County Council

Report to Governance & Ethics Committee

26 November 2025

Agenda Item: 9

REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE & IMPROVEMENT

CORPORATE RISK MANAGEMENT UPDATE

Purpose of the Report

1. To inform members of developments in the Council's arrangements for corporate risk management.

Information

2. The Accounts and Audit Regulations 2015 require authorities to have effective arrangements for the management of risk. The role and responsibility of the Committee, as defined in its terms of reference, is 'responsibility for oversight of the effectiveness of the Council's risk management framework.'

Background

3. The core of any Council's Risk Management arrangements is the Risk Management Framework, as the framework sets out how the Council manages risk and governs the risk management process.

4. Over the last few years, we have worked with Zurich and our Corporate Leadership Team (CLT) and Departmental Senior Leadership Teams (SLT), to strengthen risk management arrangements across the Council and develop a Risk Management Framework. We have also successfully recruited permanent resources in the form of a Corporate Risk Manager and Risk & Insurance Assistant to continue to strengthen the risk management arrangements.

5. In April 2025 we invited Zurich Resilience Solutions (Zurich) to carry out a review of our risk management arrangements. Their findings were:

> *Nottinghamshire County Council have made significant progress over the past few years in the adoption and embedding of effective risk management practices across the organisation.*

6. Whilst the overall review was positive, suggestions for further improvements were made and we continue to work with CLT and the Organisational Change Board (OCB) to implement these improvements.

Risk Framework

7. In line with the improvements suggested and to reflect how our approach to risk management has evolved, we have created a one-page Risk Management Framework document (**Appendix A**) that provides an overview of the risk management arrangements within the Council.

8. This document reinforces the Governance & Ethics Committee role in providing oversight and getting assurance that the risk management within the council is effective, and that responsibility for the day to day management and implementation of the framework lies with Corporate Leadership Team (CLT).

9. The framework currently consists of four component parts;

    a. Risk Management Strategy
    b. Risk Appetite Statements
    c. Risk Management Toolkit
    d. Risk Registers

10. The Risk Management Strategy sets out our approach to risk management and defines roles and responsibilities for all staff. The Strategy is the foundation of our framework and ensures that there is consistency across the Council in terms of risk management.

11. Alongside the strategy, we have developed our Risk Appetite Statements, which provides guidance on the acceptable amounts of risk taking, our Risk Toolkit which provides tools and techniques for day-to-day management of risks and our risk registers, which provide an effective way of capturing and reporting risks.

12. To ensure the committee can fulfil its role in respect of risk management we will regularly provide updates on the different component parts of the framework through these reports.

13. In this report we have provided updates on the developments of the Risk Management Strategy.

Risk Management Strategy

14. Our approach to risk management is based on an integrated and joined up approach to managing risk across an organisation known as Enterprise Risk Management (ERM). ERM is principally concerned with evaluating, managing, and monitoring risks that can impact an organisation's ability to achieve its objectives.

15. The Risk Management Strategy sets out this approach using best practice from the Institute of Risk Management (IRM), the Orange Book (HM Treasury), ALARM and the ISO 31000 risk management standard.

16. The effectiveness of the strategy is based on the following principles, which should be applied and embedded at all levels of the organisation:

17. It is everyone's responsibility to manage risks, however there are several key stakeholders who have a specific responsibility that contribute to the overall risk approach. The Risk Management Strategy sets out the roles and responsibilities of these stakeholders.

18. In managing our risks, our focus is on effective identification and management of risks to minimise negative impacts and maximise positive benefits to help deliver the Council's priorities. The risk process we use in the Risk Management Strategy is designed to ensure there is a consistent methodology in place and is shown in the diagram below.

19. The four steps can be summarised as follows:

    1. Risk Identification, we need to know what our risks are
    2. Risk Analysis, we need to prioritise our risks
    3. Risk Control, we need to manage our risks
    4. Risk Review, we need to monitor our risks

20. The Risk Management Strategy is reviewed and updated annually, and the current version was approved by CLT in September 2025.

Future Plans

21. Going forward we will continue working on developing the risk management agenda across the Council and we will provide future updates on the different component parts of the Risk Management Framework to this Committee to ensure the Committee is able to fulfil its 'responsibility for oversight of the effectiveness of the Council's Risk Management Framework.'

Other Options Considered

22. This report presents members with an update of developments for effective Corporate Risk Management. No other options were considered.

Reason for Recommendations

23. To provide members with details of developments in the Council's arrangements for effective corporate risk management to enable them to fulfil their responsibility.

Statutory and Policy Implications

24. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

25. There are no specific financial implications arising directly from this report.

Legal Implications

26. There are no specific legal implications arising directly from this report.

Local Government Reorganisation Implications

27. There are no Local Government Reorganisation implications arising directly from this report.

RECOMMENDATIONS

1) That the contents of the Corporate Risk Manager's report be noted and the Risk Management Framework be endorsed.
2) That a further update report be presented on subsequent components of the Risk Framework to the committee to fulfil its 'responsibility for oversight of the effectiveness of the Council's risk management framework.'

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For any enquiries about this report please contact:
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Constitutional Comments (SSR 25.09.2025)

28. The recommendations fall within the remit of Governance and Ethics Committee under its terms of reference.

Financial Comments (PAA29 19/09/2025)
29. There are no specific financial implications or Local Government Reorganisation implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All