

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE:</b> Risk Management Strategy and Framework	
<b>REPORT OF:</b> Director of Finance	
<b>FOR SUBMISSION TO:</b> Audit and Corporate Governance Committee	<b>DATE:</b> 27 November 2025
<p><b>SUMMARY OF REPORT</b></p> <p>This report presents the Council's Risk Management Strategy and Framework which was updated in September 2025. In line with the Committee's Terms of Reference, the purpose of the report is to enable the Committee to monitor the effective development and operation of risk management.</p> <p><b>Local Government Act 1972 – Access to Information</b></p> <p>No documents were used in the preparation of this report which are required to be listed.</p> <p><b>Contact Officer:</b>  Nasreen Khan  Head of Internal Audit, Investigations and Risk Management  5 Pancras Square  London  N1C 4AG  Telephone: 020 7974 2211  Email: <a href="mailto:nasreen.khan@camden.gov.uk">nasreen.khan@camden.gov.uk</a></p>	
<p><b>RECOMMENDATIONS</b></p> <p>The Committee is asked to note and comment on the report.</p>	

Signed: As agreed by the Director of Finance

Date: 14<sup>th</sup> November 2025

## 1. Purpose of report

- 1.1. In accordance with its Terms of Reference, the Audit and Corporate Governance Committee (the Committee) is required to monitor the effective development and operation of risk management in the Council. CIPFA guidance suggests that local authority Audit Committees should “consider the effectiveness of the authority’s risk management arrangements and the control environment.”

## 2. Background

- 2.1. The Council’s risk management framework is well-established and is reviewed every three years to ensure it remains fit for purpose. During the last review in 2022, the framework was enhanced by adding strategic vision and aims, setting out the desired risk culture, and including a high-level risk appetite statement. Complex terminology was removed as far as possible to ensure the framework is accessible to staff across the organisation and separate pieces of risk management guidance were incorporated to create a handbook style document.
- 2.2. The 2025 version of the framework has undergone minor revisions informed by an external review (undertaken by Zurich insurers) and the new [best practice guide on risk management](#) published by the Local Government Association in January 2025. The revised framework and strategy, reviewed by the Corporate Services Directorate Management Team (DMT) in September 2025 and the Camden Management Team (CMT) in October 2025, is included at **Appendix 1**.
- 2.3. In preparation for the 2025 framework update, the Council’s insurer Zurich was commissioned to conduct an independent review of the existing framework and corporate approach to risk management. The review took the form of a desktop review as well as interviews with key stakeholders.
- 2.4. Overall, the review concluded that the Council’s approach to risk management is sound, with some recommendations for enhancement (included at Section 3).

## 3. Zurich recommendations and action taken

- 3.1. The Zurich review resulted in seven recommendations addressing improvements to the risk framework document as well as wider suggestions to strengthen the corporate approach to risk management. The recommendations, and the action taken to address the recommendations, is set out in the table below.

Recommendation	Action taken to address recommendation
1. With inclusion of positive impact in the definition, and mention of opportunities, there should be a consideration around how positive uncertainty (opportunity) is managed in the framework.	<ul style="list-style-type: none"><li>Section 3.1 - A definition of opportunity risk has been added.</li><li>Reference to opportunities alongside risk, has been integrated throughout the revised framework.</li></ul>

Recommendation	Action taken to address recommendation
<p>2. Consider adding more instruction on how risk management objectives and responsibilities are achieved. This will give officers better tools for completing tasks and clearer understanding of purpose, expected outcomes and expectations of each role.</p>	<ul style="list-style-type: none"> <li>• Section 2 - Further details on how each strategy aim is delivered have been added.</li> <li>• Section 5 - Roles and responsibilities have been expanded.</li> </ul>
<p>3. Clearly define who is the culture driver around risk from top level. This should be accompanied by a plan for how to cascade key messaging around risks to ensure that the desired risk culture reaches all services and there is comfort with timely sharing or escalation of risks.</p>	<ul style="list-style-type: none"> <li>• Section 3.2 – Revisions have been made to make clear that CMT is responsible for driving a positive risk culture.</li> <li>• A communications plan will be delivered alongside the roll-out of the updated risk management framework in Quarter 4 2025-26.</li> </ul>
<p>4. Consider defining risk appetite red lines with more consideration for ambiguity around legislation and potential for harm to staff and residents. Having zero tolerance for breach of legislation or harm is very restrictive if followed to the letter.</p>	<ul style="list-style-type: none"> <li>• Section 4.1 - Consideration was given to this recommendation. However, on balance, the high-level risk appetite statement in the framework has not been revised as it sets the tone from the top in areas where the senior leadership will not tolerate risks. It was considered that this key message should be dispersed to staff.</li> <li>• A separate piece of work will be taken forward during Spring 2026, exploring a more detailed risk appetite framework.</li> </ul>
<p>5. Review the possibility of high likelihood risks not being placed in a correct level of escalation within the current structure.</p>	<ul style="list-style-type: none"> <li>• Appendix 1 in the framework - The financial escalation points have been designed to broadly mirror the scheme of delegation. So even a high likelihood risk would not need to be escalated until it reaches the impact threshold for the next authorisation level.</li> </ul>
<p>6. Expand on the 'Taking Action' segment and how choices should be made in more detail. Including how controls are described and what should be included. This could be specification of expected outcomes from controls, due dates and evaluation of effectiveness. This</p>	<ul style="list-style-type: none"> <li>• Section 7.4 - This has been expanded to be more instructive, without making the framework unduly lengthy.</li> </ul>

Recommendation	Action taken to address recommendation
would support the work of the audit function and provide a better foundation for oversight and decision making.	
7. Add risk and risk management as regular agenda item for CMT, with a rotation of principal risks to make risk management more proactive and ensure that principal risks are maintained with the proper strategic perspective including consideration of the benefits that are being sought.	<ul style="list-style-type: none"> <li>While risk and risk management is regularly and inherently discussed at CMT, it was agreed by CMT in October 2025 that the following refinements will be made: <ul style="list-style-type: none"> <li>i) CMT's workplan will align with the Audit and Corporate Governance Committee's risk reporting cycle i.e. CMT will review and consider the Spring principal risk update in addition to the annual Principal Risk Report;</li> <li>ii) The CMT workplan will be reviewed to ensure that it covers principal risks throughout the year.</li> </ul> </li> </ul>

#### 4. Risk management enhancements

- 4.1. The shared risk management function with Islington demerged on 30 June 2025. Camden now has a full-time corporate risk manager in place. There will be opportunity to drive further improvement as well as provide more support to management teams, with the additional resource available.
- 4.2. Key projects planned over the next year are set out below:

Topic	Action	Reason	Time frame
1. Risk management training	To compliment the short e-module, which was launched in August 2024, a face-to-face training workshop for all staff will be launched. It is envisaged that this will run monthly. An increased opportunity for training will <ul style="list-style-type: none"> <li>i) support the messaging pertaining to the desired risk culture;</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of the Council's risk management training offer</li> <li>Zurich review recommendation 2 and 3</li> </ul>	Quarter 4 2025/26

	ii) support staff to understand how to manage risk as part of their responsibilities.		
2. Detailed risk appetite statement	Develop a more detailed risk appetite statement across defined risk categories, in collaboration with DMTs.	<ul style="list-style-type: none"> <li>Recommended per the Local Government Association guide</li> </ul>	Summer 2026
3. Quality assurance programme for risk registers	Develop a rolling programme of quality assurance of risk registers across all directorates to provide assurance that there are no significant gaps. This will also hold an element of horizon scanning to scope beyond immediate risks.	<ul style="list-style-type: none"> <li>To promote best practice and adherence to the risk management framework</li> </ul>	Autumn 2026

## 5. Finance Comments of the Director of Finance

- 5.1. The Director of Finance has been consulted, and comments are incorporated within the body of the report.

## 6. Legal Comments of Borough Solicitor

- 6.1. The best practice guide on risk management published by the Local Government Association in January 2025 sets out that it is important that the approach to and the process of risk management is articulated in a guiding strategy and framework.
- 6.2. The audit committee plays a significant role in the council's risk management and risk assurance arrangements. The guidance outlines that the role of the audit committee in relation to risk management covers three major areas which are in summary:
- I. Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the ownership of and accountability for risks
  - II. Keeping up to date with the risk profile and the effectiveness of risk management
  - III. Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management
- 6.3. These are expanded on further in the guidance.

## **7. Environmental implications**

7.1. There are no known environmental implications arising from this report.

## **Appendices**

**Appendix 1:** Risk management strategy and framework

**End**