

NOTTINGHAM CITY HOMES

THE BOARD
21 MAY 2009

REPORT OF THE DIRECTOR OF FINANCE, ICT & GOVERNANCE

RISK MANAGEMENT FRAMEWORK

1 SUMMARY

- 1.1 This report is to present to the Board the Company's Risk Management Framework for Approval and formal adoption. It includes the Company's proposed template 2009/10 Risk Register.
- 1.2 The Company's Risk Management Framework and template Risk Register were reviewed by Audit Committee on 11th June and recommended by the Committee for approval by Board.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board approve the Nottingham City Homes' Risk Management Framework and associated template Risk Register.

3 INTRODUCTION AND BACKGROUND

- 3.1 The Company's current Risk Management Framework was approved by the Board in May 2008. The revised 2009 Risk Management Framework has been produced following discussions by the Company's Executive Management Team and is included as Appendix A. The main changes to the revised Risk Management Framework have been highlighted in blue text.
- 3.2 The purpose of the Risk Management Framework is to establish a consistent basis for identifying, measuring, controlling, monitoring, managing and reporting the Company's strategic, operational and project/partnership risks.
- 3.3 The Framework, therefore -
- Is based on NCH's corporate objectives, which are supported by the service area objectives;
 - Identifies the risks which may prevent NCH achieving its objectives and targets;
 - Identifies and assesses what NCH is doing to manage the risks it has identified;
 - Identifies what systems are in place to record and monitor the management and assurance processes;
 - Reviews what actions have been taken to address any gaps; and
 - Identifies what systems are in place to report on risks and risk management.
- 3.4 There are three main elements to the Framework –

- Risk Strategy, setting out why risk management is important to the Company;
- Risk Management Policy, detailing the risk management systems for the Company;
- Priority Action Plan, which identifies the priorities for risk management activities in the forthcoming year.

3.5 Risk registers are used to compile identified risks across the business. Appendix B sets out the template risk register format that will be used across the Company during the 2009/10 financial year. The registers used within the Company are:

- Service Area Risk Registers;
- Directorate Risk Registers;
- Specific Project/Programme Risk Registers; and
- One Corporate Risk Register.

3.6 All risk registers require a full description of the identified risk, the potential impact and rating, the likelihood factors and rating, a risk score, the named risk owner and the additional controls and countermeasures that will be put in place - see Appendix B.

4 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

4.1 A robust approach to managing risk is essential to support NCH objectives of providing good quality, affordable and well managed housing.

6 VALUE FOR MONEY & EFFICIENCY ISSUES

5.1 Early identification of service and business risks helps to improve the way in which resources are managed, helping to minimise unforeseen demands on the Company's limited financial resources.

6 EQUALITY & DIVERSITY IMPLICATIONS

6.1 Improving the way that the Company manages risk embraces the effective management of equality and diversity implications of action taken across all service areas.

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

7.1 APPENDIX A – Draft Risk Management Framework 2009

7.2 APPENDIX B – Template Risk Register 2009/10

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