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Cabinet Member for Policy and Leadership

8 November, 2017

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director Approving Submission of the report:**

Deputy Chief Executive (Place)

**Ward(s) affected:**

N/A

**Title:**

Risk Management Policy and Strategy

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**Is this a key decision?**

No

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**Executive Summary:**

Coventry City Council has a range of measures to ensure that governance in the organisation is managed effectively, integral to this is a sound system of Risk Management. In 2016, the Chartered Institute of Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) updated their guidance on Corporate Governance and published the new *Delivering Good Governance in Local Government Framework*. This provides a best practice framework for local authorities to ensure that there is sound and inclusive decision-making to achieve the desired outcomes for service users and communities. It sets out the principles that underpin good governance, of which risk management is one, and how local authorities can assure themselves and others that they are meeting them.

This report proposes introducing a new Risk Management Policy and Strategy for the City Council in line with the principles and best practice set out in the national framework for good governance in Local Government.

**Recommendations:**

The Cabinet Member for Policy and Leadership is recommended to approve the Risk Management Policy and Strategy attached at Appendix 1.

**List of Appendices included:**

Appendix 1: Risk Management Policy and Strategy

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **Report title: Risk Management Policy and Strategy**

### **1. Context (or background)**

- 1.1 Coventry City Council last reviewed its Risk Management Policy in 2012 which was based on best practice at the time. The context in which local government operates has changed significantly since then including a period of significant financial challenge, the growing devolution agenda and the introduction of a wide range of legislation that has brought new roles, responsibilities and opportunities. National guidance in respect of Good Governance and Risk Management has been updated to reflect this, particularly the links between governance and financial management and the importance of long term planning. The revised Risk Management Policy and Strategy reflects the new guidance and how it can be used to strengthen corporate governance in the City Council.

### **2. Options considered and recommended proposal**

- 2.1 Risk management is an important and integral part of the management activities designed to deliver the Council's desired outcomes. It consists of an ongoing process to not only identify significant risks to the achievement of those outcomes but also to identify positive actions to maximise opportunities.  
Ensuring that its risk management arrangements are effective is important for any organisation but particularly so in the public sector where local authorities deliver services and outcomes for a wide range of people using public money.
- 2.2 The Council is aware of the need to strike the right balance between risk avoidance and innovative ways of delivering its services. As such it accepts that it is correct to take calculated risks to improve services and to achieve the desired outcomes for service users and communities.  
Coventry City Council will positively decide to take risks in pursuit of its ambitions where it has sufficient assurance that:
- i) the risks have been properly identified and assessed
  - ii) the risks will be appropriately managed
  - iii) the potential benefits justify the level of risk to be taken
- 2.3 The updated Risk Management Policy clearly articulates this positive approach whilst meeting the requirements of the latest best practice guidance.  
Roles for risk management practice are clearly defined within the Policy and Strategy to ensure clarity of responsibility within the organisational structure.
- 2.4 The Risk Management arrangements are assessed annually as part of the Annual Governance Statement, This is signed off by the Chief Executive and the Leader of the Council.

### **3. Results of consultation undertaken**

- 3.1 The Chief Executive and Senior Management Board have reviewed and approved the new Risk Management Policy and Strategy.

### **4. Timetable for implementing this decision**

- 4.1 Immediate. The Policy and Strategy will be reviewed annually by Risk Management and Insurance Services with Audit Services providing an independent assessment. Audit and

Procurement Committee receive monitoring reports on the progress of Corporate Risk Management and an annual report on Risk Management.

## **5. Comments from Director of Finance and Corporate Resources**

### **5.1 Financial implications**

There are no direct financial implications arising from this decision. Ensuring that the Policy and Strategy are up to date and reflect best practice will support robust internal control and strong financial management.

### **5.2 Legal implications**

There are no direct legal implications arising from this decision. Ensuring that the Policy and Strategy are up to date and reflect best practice will support robust internal control and governance.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

Risk Management is an important part of the framework and process that helps to ensure that governance arrangements for decision-making and implementation of the Council's policies, plans and procedures are effective and informed.

**6.2 How is risk being managed?**

Effective arrangements for managing risk is a main principle of the Code of Corporate Governance. This Policy clearly sets out the Council's recognition and support of that principle.

**6.3 What is the impact on the organisation?**

Risk Management is a key element in corporate planning and the successful delivery of projects and improved services. The Policy and Strategy sets out the roles and responsibilities across the Council and to identify threats and opportunities to the achievement of the Council's objectives.

**6.4 Equalities / EIA**

No direct impact.

**6.5 Implications for (or impact on) the environment**

No direct impact.

**6.6 Implications for partner organisations?**

Risk Management is a key principle of good governance and will support effective partnership working.

**Report author(s):**

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**Directorate:**

Place

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## Appendices