Coventry City Council

Risk Management Policy and Strategy

Policy Statement

Coventry City Council is aware that the nature and range of its responsibilities and the environment in which it exercises them present a wide range of risks. Such risks may threaten the achievement of the Council's aims and objectives as set out in the Corporate Plan and affects its employees, service users, Council tax payers and other stakeholders.

'The Good Governance Standard for Public Services' issued by The Independent Commission on Good Governance in Public Services states that there are six core principles of good governance including 'Taking informed, transparent decisions and managing risk'. The document goes on to state 'Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective'.

The Council views risk management as essential to improving services and enhancing accountability as well as securing compliance with formal policies and procedures. Risk will therefore be managed positively rather than in a purely reactive manner.

The Council also recognises the need to strike the right balance between encouraging innovation and avoiding risk. It is appropriate to take and manage calculated risks in pursuing opportunities to improve services and to obtain better value for money.

Definition of Risk

Risk is the chance of something happening that will have an impact on objectives

Risk Management is the structured development and application of management culture, policy, procedures and practices to the identification, analysis, evaluation, control and response to risks which may have an impact on the achievement of the Councils business. It is a key element in corporate and service planning requiring both a 'top down' and 'bottom up' approach.

The Council aims to:

- Provide an effective/consistent approach to evaluating risk across all activities
- Adopt realistic strategies for achieving aims and objectives
- Achieve better utilisation of staff time and resources
- Place greater emphasis on prevention rather than detection and correction
- Improve management and member awareness of strategic and operational risks

The council's risk management arrangements are assessed annually as part of the Annual Governance Statement (AGS). This is signed off by the Chief Executive and Leader of the Council.

Risk Management Strategy

This strategy provides a framework to support the council's statutory responsibility for managing risk. It builds on and replaces earlier versions of the council's risk management strategy.

Effective risk management enhances the council's ability to:

- deliver corporate and operational objectives
- safeguard the Council's assets
- protect the Council's reputation

We want risk management to be an integral part of the council's business – service planning, budget setting, project management, management processes – and our corporate culture. This will result in better decision making, a reduction in costs and an increase in the quality of services.

Benefits of Effective Risk Management

Risk management affects every business unit and service across the council, as well as every employee. The key benefits of a co-ordinated approach to risk management are:

- more effective allocation of resources
- more satisfied stakeholders and reduced complaints
- better ability to justify decisions and reduced risk of mistakes
- support for innovation, value for money and potential quality improvements in service delivery
- protection of the council's reputation
- greater accountability through management oversight and comprehensive controls.

An effective risk management strategy will allow the council to spend less time reacting to situations and more time taking advantage of opportunities.

Risk Management Strategy Objectives

The objectives of Coventry's risk management strategy are to:

- embed risk management in the culture and day to day business processes of the council
- maximise the opportunity for the council to achieve its objectives
- manage threats in order to protect the resources and reputation of the council
- comply with the statutory requirements for the compilation of the Annual Governance Statement
- provide a framework, procedures, tools, training and guidance to enable everyone to manage risk in the best way
- ensure that we identify and manage opportunities as well as threats

We will achieve these objectives by:

- ensuring that risk management is incorporated into the decision making processes of the council and its partners
- providing a practical framework for identifying, prioritising and detailing control measures for council-wide and cross-cutting partnership risks
- ensuring that strategic, operational, partnership, project and compliance risks are discussed on a regular basis
- continuously monitoring these arrangements and taking action when appropriate

Roles and Responsibilities

The roles of each of the groups in the organisational framework:

Cabinet and Members

- ensure that an effective risk management strategy is in place
- are aware of the risk management implications of decisions

Audit Committee

- provides independent assurance of the risk management framework and the associated control environment
- receives risk management reports.
- receives monitoring reports on the progress of Corporate Risk Management
- receives an Annual Report on Risk Management

Directors and Directorate Management Teams

- will agree an effective framework for risk management
- receive and approve reports on the Corporate Risk Profile and Directorate Risks
- ensure that actions and recommendations in those reports are implemented
- advise elected members of the risk management implications of decisions
- ensure that the risk management element of Corporate Governance is achieved
- ensure staff receive appropriate training and guidance, enabling them to take responsibility for managing risk within their own environment.

Risk Management and Insurance Services

- promote risk management throughout the council
- formulate the Risk Management Policy and Strategy
- assist Directorates in identifying, analysing and controlling risks
- liaise with external consultants and risk management organisations to maintain best practice in the council
- provide risk management training in house or through external consultants
- liaise with both Internal and External Audit

Internal Audit Services

- provide an independent assessment of the effectiveness of:
  - corporate arrangements for risk management
  - the risk management function of the council

Employees

- should understand their role in the risk management process with regard to:
  - risk identification, analysis, control and managing risk in their job