

### **Leeds City Council’s Risk Management Vision:** **Better risk management. Better decisions. Better outcomes.**

Using risk management to help maximise opportunities and minimise threats will support Leeds in its aim to become the best city in the UK and the organisation to become the best council in the country.

#### **Policy Statement**

Leeds City Council provides a huge range of services to the people and city of Leeds. Given the importance, diversity, complexity and number of these services, we know we have a responsibility to recognise and take steps to manage the key risks we face. This Policy sets out the Council’s commitment to a risk management framework that enables staff and elected members to do this by effectively identifying, understanding, managing and reporting on strategic and operational risks. This Policy acts as an umbrella for all other Council policies and processes that incorporate risk management.

We commit to:

- Use a structured and consistent risk management approach to focus discussion, prioritise resources and enable justifiable risk-taking.
- Ensure that risk management is applied in a scaleable and proportionate way.
- Make the best use of management information to build a complete picture of the key risks and issues and to jointly report on risk and performance management.
- Publish the corporate risk register.
- Ensure risks are owned and managed in line with the organisation’s commitment to outcomes-based accountability.
- Listen to feedback and reviewing our risk management arrangements to make sure they are still fit-for-purpose.

#### **How we shall deliver the Risk Management Vision**

The Council’s Risk Management Vision will be achieved by:

- Clear risk management roles and responsibilities (see Appendix 1) and formal risk reporting lines.
- Incorporating risk management into the Council’s decision-making arrangements.
- Applying risk management to budget, project and business planning processes.
- Actively involving elected members in identifying and managing key risks.
- Providing risk management guidance and training to staff and elected members.
- Monitoring and reviewing our risk management arrangements on a regular basis to ensure they remain effective and comply with risk management standards, legislation and good practice.

#### **Benefits**

Risk management is acknowledged as an integral part of good management and a key feature of corporate governance. Effective risk management therefore works alongside our financial management, performance management and other elements of strategic and operational management to demonstrate transparency and accountability and to underpin the successful delivery of our Council and City priorities.

Signed

**Tom Riordan** (Chief Executive)

**Keith Wakefield** (Council Leader)

## Appendix 1: Risk Management Roles & Responsibilities

### A. ELECTED MEMBERS

#### 1. Council Leader & Executive Board

- 1.1 Ultimate responsibility for ensuring that the Council has effective risk management arrangements lies with the Executive Board. The Board receives an annual update on this work that includes a summary of the management of corporate risks from the Director of Resources. Executive members also review the corporate risk register through the year and have a key role in identifying the risks associated with the delivery of the authority's priorities.
- 1.2 The Board provides appropriate challenge in relation to strategic decision-making and ensures that the risk management implications of its strategic priorities and all major business change proposals coming before it have been satisfactorily taken into account. In this way, Executive Board is also responsible for setting the Council's risk appetite – i.e. the level of risk we are prepared to tolerate.
- 1.3 The Annual Governance Statement, which takes account of the contribution that risk management plays in achieving objectives, is signed by the Council Leader.

#### 2. Corporate Governance and Audit Committee

- 2.1 The Corporate Governance and Audit Committee is responsible for reviewing the adequacy of the Council's governance arrangements, including risk management. The Committee receives an annual assurance report on our risk management arrangements from the Director of Resources and uses this to monitor, review and scrutinise the performance of the Council's risk management arrangements and their implementation. Further, the Committee provides appropriate challenge on the arrangements to manage specific risks.
- 2.2 The Risk Management Policy is reviewed annually and any significant changes are submitted to Corporate Governance and Audit Committee for review. The Annual Governance Statement, incorporating risk management, is signed by the Chair of the Committee.

#### 3. Scrutiny Boards

- 3.1 Scrutiny Boards ensure that appropriate risk management considerations have been given to the areas of their investigations.

#### 4. Member Risk Management Champion

- 4.1 The Member Risk Management Champion is the Executive Member for Resources and Corporate Functions. This member is responsible for ensuring that a robust risk management process is applied to all key and major decisions made by elected members, including the use of quality risk assessments within reports requiring decisions. The role includes promoting the application of risk management and related training to elected members.

#### 5. All Elected Members

- 5.1 All elected members maintain an understanding of the risk management arrangements within the Council and are responsible for considering the risk implications during decision-making and policy approval. This is particularly relevant for decisions which may have resource implications, an impact on the authority's strategic priorities or propose a service change.

## **B. COUNCIL STAFF**

### **1. Corporate Leadership Team**

- 1.1 Members of the Corporate Leadership Team (CLT) are responsible for ensuring that all strategic risks are effectively managed. Individual directors take ownership of specific risks on the corporate risk register and CLT as a whole collectively reviews and challenges this register each quarter as part of a joint risk and performance report.
- 1.2 CLT ensures that due consideration is given to identifying and managing the risks associated with the delivery of the Council's priorities and with major business change proposals. This may include reviewing the allocation of resources and establishing clear lines of accountability across the organisation and with external partners.
- 1.3 The Director of Resources has specific responsibility for providing assurances to the Executive Board and the Corporate Governance and Audit Committee on the adequacy of our risk management arrangements. In addition, the Director of Resources holds delegated authority to approve changes to the Risk Management Policy on behalf of Executive Board and acts as the 'officer risk management champion'.

### **2. City and Council Priority Boards**

- 2.1 Members of the Priority Boards are responsible for ensuring the proper identification, assessment, management and reporting of the key risks that could impact upon the successful delivery of their priorities.

### **3. Senior managers**

- 3.1 Senior managers are responsible for ensuring that arrangements are in place within their directorates and services to identify and manage risks in accordance with the Council's Risk Management Policy. To facilitate this, managers contribute to the regular updating and review of strategic and operational risk registers as needed. This includes corporate, directorate, budget, programme, project and partnership registers. They also ensure that robust but proportionate risk assessments are contained within reports requiring a decision.

### **4. Project Executives and Project Managers<sup>1</sup>**

- 4.1 Project Executives and Project Managers are responsible for ensuring that adequate risk management arrangements are in place throughout the project lifecycle. They also report the 'Red/Amber/Green' (RAG) status of their projects to the corporate Risk Management Unit each quarter for inclusion in the corporate risk register.
- 4.2 The Project Executive, when setting project tolerances, determines the level of risk exposure that the project is willing to accept. Those project risks which are deemed to have a direct impact on the achievement on directorate or strategic priorities are escalated to the directorate management team.

### **5. All Council Staff**

- 5.1 All staff have a duty to consider the risks to the achievement of their day-to-day objectives and the Council's priorities. They also ensure that any risks which they cannot manage or that have a cross-cutting impact are escalated to their managers. At a Chief Officer level, this may mean adding the risks to the Directorate Risk Register. At a directorate level, this may mean proposing a risk for escalation to the corporate risk register.
- 5.2 When developing new policies and processes that incorporate risk management, staff must refer to this Policy in the first instance.

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<sup>1</sup> This includes Programme Executives and Programme Managers

## **6. Corporate Risk Management Group**

- 6.1 The Corporate Risk Management Group (CRMG) is responsible for supporting and challenging the Council's risk management arrangements, embedding risk management within each member's directorate/organisation and co-ordinating the escalation of risks on to the corporate risk register. Working with performance management colleagues, the group also approves the report submitted to the Corporate Leadership Team each quarter on the most significant risk and performance issues.
- 6.2 CRMG members are supported by directorate risk co-ordinators and the Council's Risk Management Unit (see below).

## **7. Directorate Risk Co-ordinators**

- 7.1 Directorate risk co-ordinators are responsible for maintaining their directorate's risk register and ensuring it is reviewed by the management team. They, alongside Corporate Risk Management Group members, act as the main point of risk management communications between the Risk Management Unit and the directorate.

## **8. Risk Management Unit**

- 8.1 The corporate Risk Management Unit (RMU) is responsible for developing, implementing and co-ordinating all strategic risk management arrangements and is the central source of advice and guidance for strategic risk management. The Unit's roles include maintaining the corporate risk management documentation (policy, strategy, project risk management guidance etc.), analysing and reporting on the corporate risk register and liaising with colleagues across the Council and externally to help identify, assess and manage strategic risks.
- 8.2 The Unit supports the Corporate Risk Management Group and is responsible for the development, implementation and administration of the Council's risk management software system.
- 8.3 The RMU is also responsible for providing strategic risk management assurance reports to senior managers and elected members and, where appropriate, to external assessors.

## **9. Internal Audit**

- 9.1 Internal Audit uses robust risk management techniques in its audit processes and considers the corporate risk register when developing its audit plan. Internal Audit also ensures regular and appropriate two-way information sharing with the Risk Management Unit.