

DATA LABEL: PUBLIC



COUNCIL EXECUTIVE

RISK MANAGEMENT POLICY

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

To present the revised Risk Management Policy to the Council Executive for consideration.

B. RECOMMENDATION

It is recommended that Council Executive approves the Risk Management Policy.

C. SUMMARY OF IMPLICATIONS

I Council Values	Being honest, open and accountable, making best use of our resources.
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	The Risk Management Strategy 2018-23 requires the Risk Management Policy to be reviewed during its lifetime.
III Implications for Scheme of Delegations to Officers	None. The risk management policy is consistent with the current Scheme of Delegations.
IV Impact on performance and performance Indicators	Failure to effectively mitigate risks may have an adverse impact on performance.
V Relevance to Single Outcome Agreement	Our public services are high quality, continually improving, efficient and responsive to local people's needs.
VI Resources - (Financial, Staffing and Property)	None.
VII Consideration at PDSP	The Partnership and Resources PDSP was consulted on 7 February 2020.
VIII Other consultations	The Governance and Risk Committee was consulted on 24 February 2020.

D. TERMS OF REPORT

The council's Risk Management Strategy 2018-23 requires that the council's Risk Management Policy be reviewed. This has been done, and the revised Policy is appended to this report. The Policy was last reviewed and updated in November 2015.

The council's policy on risk has not changed, which is to mitigate threats to the achievement of its objectives by implementing robust risk management strategies, procedures and guidance, which enable managers and staff to effectively identify, assess, and mitigate risk.

The appendix to the Policy sets out elected member and officer responsibilities in relation to risk management. The revised Policy makes reference to the role of the Governance and Risk Committee, which was formed after the May 2017 council election.

Both the Partnership and Resources PDSP and the Governance and Risk Committee have been consulted on the revised Risk Management Policy. Neither the PDSP nor the Committee had any comments.

E. CONCLUSION

The Risk Management Policy provides a sound basis for the effective management of risks to the achievement of the council's objectives.

F. BACKGROUND REFERENCES

Report to the Council Executive 17 November 2015: Risk Management Policy

Report to the Council Executive 12 June 2018: Risk Management Strategy 2018/19 to 2022/23

Appendices/Attachments: Risk Management Policy

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WEST LOTHIAN COUNCIL RISK MANAGEMENT POLICY

RISK MANAGEMENT POLICY

- 1.1 Risk can be defined as the effect of uncertainty on an organisation's objectives. Risk can be considered to be either positive, in relation to opportunities, or negative, in relation to threats.
- 1.2 West Lothian Council recognises that effective risk management is a key component of the council's governance processes. The council's risk management processes focus on those threats or unexpected events that may affect the council's ability to achieve its corporate objectives. The council's policy is to mitigate threats to the achievement of its objectives by implementing robust risk management strategies, procedures and guidance, which enable managers and staff to effectively identify, assess, and mitigate risk.
- 1.3 Risk management is embedded within the council's management processes. Managers are required to continuously review risks and to manage them in a systematic and structured manner in accordance with corporate guidance.
- 1.4 The council maintains a corporate risk register which documents and describes council wide risks and service risks, describes controls and risk actions designed to reduce risks to an acceptable level, and identifies the officers responsible for managing risks.
- 1.5 Risks are assessed using a combination of the likelihood of an event and the impact should it occur. In consultation with senior managers, the Audit Risk and Counter Fraud Manager identifies risks requiring consideration at a higher management level. These may be high risks, or risks that have the potential for a high impact should they occur, or risks that have organisation-wide implications. These risks are brought to the attention of the Governance and Risk Board and Executive Management Team.
- 1.6 In all circumstances the council will seek to manage risk down to what it assesses as an acceptable level. In relation to the management of residual risk, the Head of Finance and Property Services is responsible for ensuring that appropriate insurance arrangements are in place.
- 1.7 The council's Governance and Risk Committee is responsible for reviewing and scrutinising the council's risk management arrangements, and plays an important role in ensuring that effective risk management arrangements are in place.

APPENDIX

RESPONSIBILITIES IN RELATION TO RISK MANAGEMENT

Council Executive

- approving the risk management policy and risk management strategy.

Partnership and Resources Policy Development and Scrutiny Panel

- reviewing and scrutinising the risk management policy and risk management strategy, prior to presentation to Council Executive.

Governance and Risk Committee

- approving the annual risk management plan;
- reviewing and scrutinising the council's risk management arrangements;
- considering reports which identify issues in relation to risk management, scrutinising action plans, and ensuring that such action plans are implemented by management;
- considering the external auditor's annual report in relation to matters relevant to risk management;
- considering the Audit, Risk and Counter Fraud Manager's annual risk management report;
- reviewing progress in relation to the approved risk management strategy.

Audit Committee

- approving the annual risk based internal audit plan;
- receiving reports from internal audit on the audit of key risks;
- considering recommendations for improvement in control and management action to implement them;
- considering the Audit, Risk and Counter Fraud Manager's annual internal audit report.

Executive Management Team

- reviewing the council's high and strategic risks.

Corporate Management Team

- approving the corporate business continuity plan.

Depute Chief Executive, Corporate, Operational and Housing Services

- chairing the Governance and Risk Board.

Governance and Risk Board

- reviewing the annual risk management plan and monitoring progress;
- reviewing the council's high and strategic risks;
- identifying, considering and reviewing areas of risk as considered appropriate;
- reviewing the council's insurance arrangements;

- reviewing the council's corporate business continuity plan and approving activities for business continuity planning purposes;
- reviewing the arrangements for maintaining effective service business continuity plans;
- considering the Audit, Risk and Counter Fraud Manager's annual internal audit report and risk management report.

Head of Finance and Property Services

- ensuring that effective corporate risk management arrangements are in place;
- ensuring that professional advice on insurance, risk management and business continuity planning is available to the council and its officers;
- ensuring that appropriate insurance for the council is in place; and that the insurance fund meets the cost of buying insurance and paying for self-insured losses.

Heads of Service

- ensuring that significant risks to service objectives are identified and recorded in the corporate risk register;
- ensuring that such risks are effectively managed;
- ensuring that effective service business continuity plans are in place to support the delivery of critical services within their remit.

Audit, Risk and Counter Fraud Manager

- preparing corporate procedures on risk management and business continuity planning;
- providing advice and support to managers on risk management and business continuity planning;
- preparing and maintaining, in consultation with managers, the corporate business continuity plan;
- chairing the Risk Management Working Group.

Corporate Finance Manager

- maintaining the council's insurance fund and insurance arrangements.

Service Managers

- effectively managing risks within their area of responsibility;
- updating risks and risk actions in the corporate risk register, as required and in accordance with corporate procedures.

Risk Management Working Group

- acting as a forum for the dissemination of advice and information to services, and for the discussion of risk management and business continuity planning issues;
- proactively raising issues in relation to any aspects of the council's risk management processes.