



West Lothian
Council

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. For West Lothian Council, risk is defined as those threats, opportunities or unexpected events that may affect the council's ability to achieve its corporate objectives.
- 1.2 West Lothian Council recognises that effective risk management is a key component of the council's governance processes. West Lothian Council's policy is to effectively mitigate risks to the achievement of its objectives by implementing robust risk management strategies, procedures and guidance, which enable managers 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's corporate risk register sets out the council's strategic and operational risks and identifies the officers responsible for these risks. The corporate risk register includes key controls and risk actions designed to mitigate risks. Relevant responsible officers ensure that the risk register is kept up to date for risks, key controls and risk actions.
- 1.5 Risk appetite is defined as the amount of risk that the council is willing to accept in achieving its outcomes. The council's risk appetite will vary, depending upon the circumstances, the council's objectives, and the nature of the risks. In all circumstances the council will seek to manage risk down to what it assesses as an acceptable level.
- 1.6 In consultation with senior managers, the Audit and Risk Manager identifies risks requiring consideration and ownership at a higher management level. Usually these are high impact risks that have organisation-wide implications. These are brought to the attention of the Governance and Risk Board and Executive Management Team.
- 1.7 In relation to the management of residual risk, the Head of Finance and Estates ensures that effective insurance arrangements are in place.
- 1.8 Elected Members' and officers' responsibilities in relation to risk management are set out in the attached appendix.

APPENDIX: RESPONSIBILITIES IN RELATION TO RISK MANAGEMENT

Council Executive

- approves the Risk Management Policy and Audit, Risk and Counter Fraud Strategy.

Partnership and Resources Policy Development and Scrutiny Panel

- reviews the Risk Management Policy and Audit, Risk and Counter Fraud Strategy, prior to presentation to Council Executive.

Audit and Governance Committee

- approves the annual Internal Audit Plan, Counter Fraud Plan and Risk Management Plan;
- receives reports from internal and external auditors on the audit of key risks;
- considers recommendations for improvement in control and management action to implement these;
- considers the Audit and Risk Manager's annual report;
- reviews the council's risk management processes.

Chief Executive

- implements effective risk management processes within the council.

Executive Management Team

- identifies and quantifies strategic risks and takes responsibility for ensuring that these are affectively managed.

Corporate Management Team

- approves the Corporate Business Continuity Plan.

Depute Chief Executive, Corporate, Operational and Housing Services

- chairs the Governance and Risk Board.

Governance and Risk Board

- reviews the Risk Management Plan and monitors progress;
- reviews the council's corporate risk register on a sample basis;
- reviews the council's high and strategic risks;
- reviews insurance claims statistics and considers the council's levels of insurance cover;
- considers reports received from the council's risk consultant, reviews agreed action plans and monitors their implementation;
- reviews project risk management arrangements;
- reviews the Corporate Business Continuity Plan;
- approves activities for business continuity planning purposes and reviews the arrangements for maintaining effective service business continuity plans;

- considers the Audit and Risk Manager's annual report.

Heads of Service

- comply with corporate procedures and guidance in relation to risk management and business continuity;
- ensure that significant risks to service objectives are identified and recorded in the corporate risk register;
- ensure that such risks are effectively managed;
- ensure that significant risks to the successful completion of projects for which their service is responsible are effectively managed;
- ensure that effective business continuity plans are in place to support the delivery of critical services within their remit;
- ensure regular and effective service representation at the risk management working group.

Head of Finance and Estates

- ensures that the provision of professional advice on insurance, risk management and business continuity is available to the council and its officers;
- ensures that appropriate insurance for the whole of the council is in place and that the insurance fund meets the cost of buying insurance and paying for self-insured losses.

Audit and Risk Manager

- prepares corporate procedures on risk management and business continuity;
- provides advice and support to managers on risk management and business continuity;
- prepares and maintains, in consultation with managers, the corporate business continuity plan;
- chairs the Risk Management Working Group.

Corporate Finance Manager

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

Service Managers

- manage risks within their area of responsibility, as directed by their Head of Service;
- update risks and risk actions in the corporate risk register, as required.

Risk Management Working Group

- acts as a forum for the dissemination of advice and information to services, and for the discussion of risk management issues.