



# RISK MANAGEMENT POLICY

## POLICY STATEMENT

Risk is inherent in all of the Council's activities. It can never be eliminated; the aim is have effective arrangements in place within the Council to identify, assess, plan, implement, monitor and manage risk effectively.

Managing risk is a crucial aspect of internal control and a key element of an effective governance framework.

Perth & Kinross Council is committed to a policy of risk management that protects its elected members, employees, stakeholders, assets, liabilities, professional reputation and the wider community against potential injury, loss or damage. Through a consistent, strategic and proactive approach to the management of risk, we will look to minimise threats and maximise opportunities to achieve our strategic vision and deliver our objectives. We will embed risk management into our business and planning processes and ensure that the approach is understood and implemented throughout the Council, at every level.

Our approach to risk management will support better strategic decision making and more effective business processes; enabling the Council to exploit opportunities and achieve better value for the community, whilst ensuring that it meets the high standards of accountability, probity, compliance and transparency required of a public body.

This Policy confirms the Council's commitment to good corporate governance through effective risk management

## INTENT & PURPOSE

The purpose of this Policy is to:

- provide guidance regarding the management of risk to support the achievement of the Council's aims and objectives, protect our people and business assets and ensure financial sustainability;
- develop a culture of risk awareness, encouraging innovation and the realisation of opportunities within the Council's daily operations;
- ensure compliance with risk management processes;
- integrate and align risk management systems with the Council's activities and business processes; and

- encourage continuous review and improvement of Council's risk assessment and management processes.

## **SCOPE**

This Policy applies to all Perth & Kinross Council activities. It forms part of the Council's governance framework and applies to all elected members, staff, contractors and volunteers. The principles also apply in our arrangements with partners and other external agencies.

## **OUR RISK MANAGEMENT VISION**

To be a risk intelligent Council where risk management is fully integrated into our decision making and business processes, enabling the Council to deliver more cost efficient and effective services, be innovative and enterprising, to achieve best value and to continuously improve.

## **OUR RISK MANAGEMENT OBJECTIVES**

- **To enable the Council to deliver its strategic and operational objectives and to continuously improve**
- **To safeguard and protect our people, property, assets and professional reputation**
- **To create a workplace culture where all elected members and staff assume responsibility for managing risk in their day to day activities**
- **To embed a consistent and coherent, Council-wide, approach to identifying, assessing, planning, implementing, monitoring and managing risk, which enables the Council to realise opportunities for benefits as well as minimising vulnerabilities and threats**
- **To promote sound management and business practices, enhance the quality of decision making and protect governance and accountability principles**
- **To deploy our financial and non financial resources and operational capabilities in an efficient, effective and responsible manner**

## RISK MANAGEMENT PRINCIPLES

The risk management principles are not compliance focused. They are a set of statements based on Management of Risk (M\_o\_R®) Guidance to guide and assist in the design, implementation and oversight of the risk management framework.

### **Risk management:-**

- aligns with our objectives
- fits the context of our Council;
- creates a culture which recognises uncertainty and supports considered risk taking;
- engages with our stakeholders taking human and cultural factors into account;
- is an integral part of our business and management processes;
- informs our decision-making ;
- provides clear and coherent guidance;
- systematic and structured
- facilitates continuous improvement
- creates and protects value;
- is championed at the highest levels

## RISK APPETITE

The Council's risk appetite is outlined in the Risk Appetite Statement. As risk is fluid and dynamic, the Risk Appetite Statement is not a definitive statement, but instead sets out guidance around our attitude to risk that should be applied when assessing risk in each situation.

## RISK GOVERNANCE

Risk governance refers to the arrangements that we have in place within the Council to make decisions about risk. It includes the leadership, accountabilities and oversight that builds and improves the risk management approach. Risk governance is an essential part of our overall governance responsibilities.

Our risk governance structure is set out in the Risk Management Strategy.

## PROCEDURE

The Council's Risk Management approach is documented in the Risk Management Strategy.

The Council's risk management processes, tools and techniques are documented in the Risk Management Process Guide.

## **RESPONSIBILITY & REVIEW**

The Chief Executive has overarching responsibility for risk management within the Council and shall ensure that the Council's Risk Management Framework is regularly monitored and reviewed to ensure its continuing effectiveness in managing risk and delivering value.

The Council's Policy & Governance Group (a sub group of the Executive Leadership Team and chaired by the Head of Legal & Governance Services) develops, leads on and co-ordinates the Council's risk management approach, including the periodic review of Council's Risk Management Framework and any ancillary documents. It provides leadership to ensure that a consistent approach is adopted and implemented throughout the organisation and that appropriate governance and controls are in place

The Framework shall be reviewed every two years or sooner if required to comply with legislative or policy changes. The high level Risk Appetite Statement will be reviewed following completion of the Annual Governance Statement assurance process.