

**PERTH & KINROSS COUNCIL**

# **RISK MANAGEMENT POLICY**

Building Ambition. Building Confidence. Building Resilience.

## **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, mitigate and manage risk.

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 losses or damage. We will use risk management to minimise threats and maximise opportunities to achieve our strategic vision and deliver on our objectives. Risk management must be embedded into our business and planning processes and be understood and implemented throughout the organisation at every level.

Risk management as a crucial aspect of internal control is fundamental to the good governance of this Council. It facilitates better strategic decision making and more effective business processes that will allow 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.

## **INTENT & PURPOSE**

This policy confirms Perth & Kinross Council's commitment to good corporate governance through effective risk management.

The Purpose of this policy is to:

- provide guidance regarding the management of risk to support the achievement of the Council's corporate and community 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 that are mandated by legislation;
- integrate and align risk management systems with the Council's activities and business processes;
- 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 create a mature risk intelligent culture within the Council; where effective risk management supports the organisation and is integrated with our business and planning processes enabling us to identify threats and opportunities to the achievement of our objectives and performance; and address these in a timely and appropriate way.

## **OUR RISK MANAGEMENT OBJECTIVES**

1. To safeguard and protect our people, property, assets and professional reputation.
2. To create a workplace culture where all elected members and staff assume responsibility for managing risk in their day to day activities.
3. To embed a consistent and coherent, organisation-wide, approach to identifying, quantifying and controlling risks which enable the Council to realise opportunities for benefits as well as minimising vulnerabilities and threats
4. To promote sound management and business practices, enhance the quality of decision making and protect governance and accountability principles.
5. To ensure that risk management is a key supporter in service improvements, achieving our corporate priorities and sound financial stewardship.
6. To deploy our 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 ISO 31000 to guide and assist in the design, implementation and oversight of the risk management framework.

Risk management:-

- creates and protects value;
- is an integral part of the Council's business and management processes;
- is part of decision making processes;
- explicitly addresses uncertainty;
- is systematic, structured and timely;
- is based on the best available information;
- is tailored to our organisation;
- takes human and cultural factors into account;
- is transparent and inclusive;
- is dynamic, iterative and responsive to change; and
- facilitates continual improvement of the organisation.

## **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 the risk tolerance parameters 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 philosophy and approach is documented in the Risk Management Strategy.

The Council's Risk Management processes and procedures are documented in the Risk Management Process.

## **RESPONSIBILITY & REVIEW**

The Chief Executive has overarching responsibility for risk management within the organisation and as such 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 Framework shall be formally reviewed every three years, or sooner, if required to comply with legislative or policy changes.