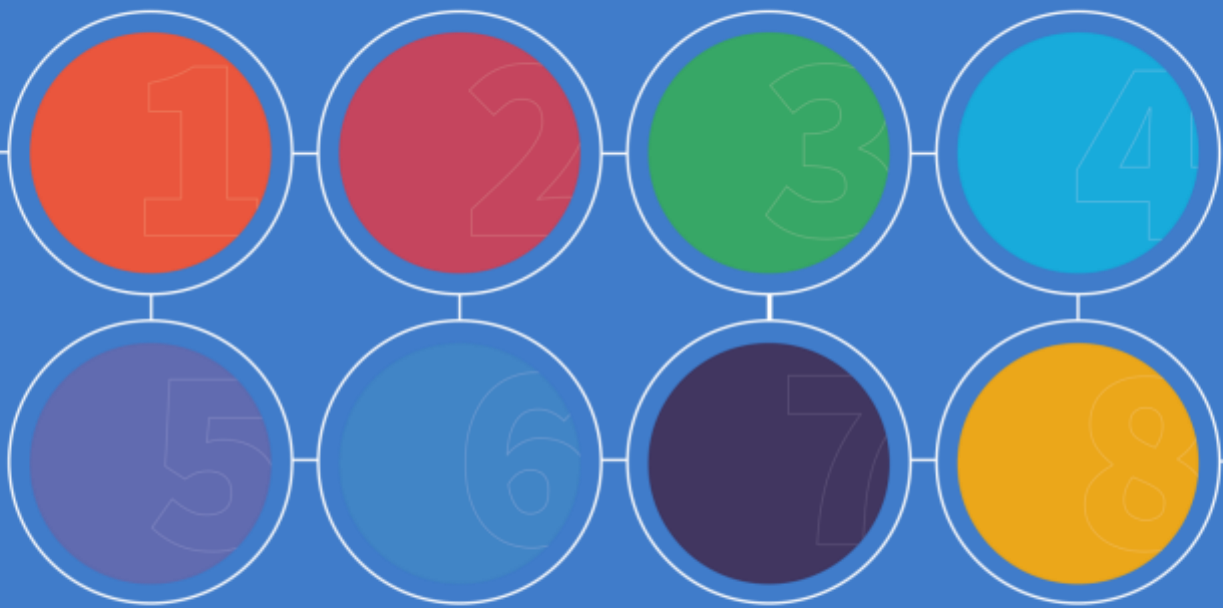


Risk Management Strategy

2018/19 to 2022/23



Welcome to the Risk Management Strategy

The strategy sets out the key outcomes, activities and behaviours that the council will pursue in support of our corporate priorities and a culture of continuous improvement

Risk may be defined as those threats, opportunities or unexpected events that may affect the council's ability to achieve its corporate objectives. Risk management is therefore a key component of the council's corporate governance arrangements.

In accordance with the council's Risk Management Policy, the council aims 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.

The Risk Management Strategy indirectly supports all of the eight priorities in the council's Corporate Plan 2018/23. It also directly contributes to the enablers in relation to corporate governance and risk, and modernisation and improvement.

The risk management function supports service transformation by providing advice and information to service managers on risk management and business continuity matters. This includes advice and information on project related risks.

In support of the Corporate Plan 2018/23, and the council's priorities, this strategy will assist managers in discharging their responsibility for ensuring that risks to their objectives are effectively managed.



Lawrence Fitzpatrick
Council Leader



Graham Hope
Chief Executive

Strategy outcomes

This strategy will assist managers in discharging their responsibility for ensuring that risks to their objectives are effectively managed.

The Risk Management Strategy has one outcome and this is:

- ◆ effective risk management arrangements which enable corporate, service, and project risks to be properly identified, assessed, and managed.

Responsibilities in relation to risk management are set out in the council's Financial Regulations and in the council's Risk Management Policy.

The council's Audit, Risk and Counter Fraud Manager is responsible for preparing corporate procedures on risk management, and providing advice and support to managers. Heads of Service are responsible for managing their service's risks in accordance with the corporate framework, and ensuring that significant risks to service objectives are effectively identified, recorded and managed.

The risk management plan is approved by the Governance and Risk Committee annually and sets out the planned risk management work for the year.

The council's Governance and Risk Board exercises oversight over the risk management function at an officer level and periodic reports on progress are made to the Board.

1 Outcome

Description

Effective risk management arrangements which enable corporate, service, and project risks to be properly identified, assessed, and managed.

Activities

The main activities of the service during the period of the strategy will be to:

- ◆ provide risk management advice to services;
- ◆ review risk management arrangements within services against agreed protocols;
- ◆ provide risk management advice in relation to project management;
- ◆ review the risk register with services to ensure that certain types of risk are adequately reflected;
- ◆ report on risks to the Governance and Risk Board, Executive Management Team and Governance and Risk Committee;
- ◆ co-ordinate risk reviews by the council's risk consultant, Gallagher Bassett;
- ◆ organise risk management training for services in consultation with the risk consultant;
- ◆ complete desk top testing of WLC1 activities (activities which if not maintained would cause loss of life or limb to customers or members of the public) as agreed by the Governance and Risk Board;
- ◆ review and provide feedback to services on WLC1 business continuity plans;
- ◆ review and provide feedback to services on WLC2 activities (significant harm or hardship to the council's customers) and WLC3 activities (significant impact to council services) business continuity plans;
- ◆ maintain the corporate business continuity plan and WLC1 relocation spreadsheet which manages WLC1 staff relocations in the event of loss of building or severe weather.

Key performance indicators

We have identified the key measures of the success for this outcome and will track, monitor and report on our performance in these performance indicators throughout the lifetime of our strategy:



Developing the strategy and reporting progress

The strategy was developed to support the delivery of the council's Corporate Plan and to take account of a range of factors that are likely to impact the delivery of council services in the next five years.

Context

The next five years will be a period of significant challenge for the council with ongoing spending constraints expected to continue. However, the council has clearly defined long term aims relating to the development of high quality services, designed to meet the needs of its customers. These long term aims are captured in the Local Outcome Improvement Plan, Community Plan and in the council's Corporate Plan and together these strategic plans determine the work of the council's services.

The development of the Corporate Plan 2018/23 has been directly influenced by the views of the people living and working in West Lothian, ensuring that all employees are focused on meeting the needs of a growing and vibrant community. The Corporate Plan sets the strategic priorities for the council up to 2022/23 and this will be the continued focus for all council services during the period.

This will help to ensure that we continue to tackle the most important issues for West Lothian. Also, that we invest in and prioritise the services which make the most significant contribution to the achievement of positive outcomes.

Influences

Influences affecting the strategy include:

- ◆ the outcomes of the Annual Audit Report and Best Value Audit Report, including an increased emphasis on governance, scrutiny, and transparency;
- ◆ the council's risk register and assessed level of risk maturity;
- ◆ the council's transformational change programme.

Strategy development process

The strategy was developed by the Audit, Risk and Counter Fraud Manager, using a range of information to ensure that outcomes, activities and resources are aligned to:

- ◆ the council's Corporate Plan;
- ◆ supporting the delivery of the council's transformation programme and Digital Transformation strategy.

The process and timescales for the development, publication and review of the strategy is set out, including consultation with the appropriate stakeholders.

Strategy governance		
Group	Governance Scrutiny role	Reporting Frequency
Council Executive	a. Engagement on the strategy and outcomes b. Updates to the Council Executive on the progress of specific programmes of work	<ul style="list-style-type: none"> ◆ Approval ◆ End of strategy review
Governance and Risk Committee	a. Engagement on the strategy and outcomes	<ul style="list-style-type: none"> ◆ After approval, for information ◆ Annual review of progress ◆ End of strategy review
PDSP		<ul style="list-style-type: none"> ◆ Consultation ◆ Annual review of progress ◆ End of strategy review
Corporate Management Team	a) Engagement on the strategy and strategy outcomes at the development stage b) Regular updates to the Corporate Management Team on the progress of specific programmes of work	<ul style="list-style-type: none"> ◆ Consultation ◆ Annual review of progress
Governance and Risk Board	a) Engagement with customers and stakeholders, and review of progress	<ul style="list-style-type: none"> ◆ Annual review of progress ◆ End of strategy review

Strategy monitoring

The Audit, Risk and Counter Fraud Manager will ensure that appropriate arrangements are in place to track and monitor in-year progress.

An annual review of progress will be undertaken and reported to the council's Corporate Management Team, Governance and Risk Committee and to the relevant PDSP. This will include an update on the agreed performance scorecard and action plan and will also be published on the performance pages of the council website. Insert link.

An end of strategy review will be undertaken in the final year of the strategy to report on the achievement in the outcomes and final position in the performance indicators (against the target) and the agreed actions.

Supporting the delivery of Council priorities

This strategy will support the delivery of the Council's Corporate Plan

Corporate strategies are designed to support the delivery of the Corporate Plan 2018/23 by improving the culture, agility, resilience and performance of the council. Each strategy has clearly defined outcomes and measurable indicators of success and actions for the period. Specifically, this strategy aligns to the enablers and deliverables that have been identified as key to the success of the Corporate Plan, this outlined in the following table.

Alignment with Corporate Enablers					
Council enabler	Deliverable	Strategy key activity / process	Indicator(s)	2017/18 Performance	2018/19 Target
(E2.4) Corporate governance and risk	Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.	◆ Effective risk management arrangements which enable corporate, service, and project risks to be properly identified, assessed, and managed.	Percentage of risks subject to an annual documented risk assessment	95%	100%
			Percentage of risk actions outstanding after their original due date	8.4%	5%
			Percentage of customers who rated risk management advice as good or excellent	100%	100%
			Percentage of WLC1 activities with up to date business continuity plans	New	100%

Appendix 1: Strategy Scorecard

The council will report on the following key measures of the success throughout the lifetime of our strategy, targeting performance improvement against the baseline year (2017/18)

OUTCOME 1 – Effective risk management arrangements which enable corporate, service, and project risks to be properly identified, assessed, and managed.

Indicators	Baseline Performance 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	End of Strategy Performance Target 2022/23
IA021_9b.1a Percentage of risks subject to annual documented risk assessment in Pentana.	95%	100%	100%	100%	100%	100%
IA022_9a.3 Percentage of risk actions outstanding after their original due date.	8.4%	5%	2%	0%	0%	0%
IA020_6a.7 Percentage of customers who rated the overall quality of risk management advice as good or excellent.	100%	100%	100%	100%	100%	100%
New: Percentage of WLC1 activities with up to date business continuity plans	New	100%	100%	100%	100%	100%

Appendix 2: Strategy Action Plan

The council will undertake a range of actions to support delivery of corporate priorities and objectives, improve services and deliver transformation.

Actions 2018/23							
Action	Description	Planned Outcome	Owner(s)	Start	End	Status	Update
Strategic action	Review of Risk Management Policy	Effective and up to date policy.	Audit, Risk and Counter Fraud Manager	April 2019	March 2020	Planned	
Strategic action	Annual review of risk management procedures	Effective and up to date procedures	Audit, Risk and Counter Fraud Manager	April 2018	March 2023	Active	To be conducted annually throughout the term of the strategy
Strategic action	Annual review of business continuity procedures	Effective and up to date procedures	Audit, Risk and Counter Fraud Manager	April 2018	March 2023	Active	
Strategic action	WLC1 desktop test programme	Effective WLC1 business continuity plans	Audit, Risk and Counter Fraud Manager	April 2018	March 2019	Active	
Strategic action	Consider the interface with management planning	Inclusion of relevant risks as part of the management plans	Audit, Risk and Counter Fraud Manager	April 2019	March 2020	Planned	
Strategic action	Desktop test of corporate business continuity plan	Effective corporate plan	Audit, Risk and Counter Fraud Manager	April 2020	December 2020	Planned	

Risk Management Strategy

West Lothian Council

June 2018

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