



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## **RISK MANAGEMENT STRATEGY**

## Document Management - Version Control

<b>Risk Management Strategy</b>			
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## 1. **INTRODUCTION**

Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them. The aim is to reduce the likelihood and frequency of risk events occurring, wherever these are possible, and minimise the severity of their consequences if they do occur.

Risk management offers a number of benefits. It is not simply about insurance or health and safety risks. Rather, effective risk management provides the Valuation Joint Board with a means of improving its strategic, operational and financial management. It can also help to minimise financial losses, service disruption, bad publicity, threats to public health or claims for compensation.

Risk management is a key task for managers in every organisation. Failure to pay proper attention to the likelihood and consequences of risks could cause the Joint Board serious problems. The effective management of risk is therefore a critical part of the Joint Board's approach to delivering sound Governance and Best Value.

Risk management is integral to policy planning and operational management. Identifying, analysing, controlling and monitoring risk will help elected members and managers make informed decisions about the appropriateness of adopting policy or service delivery options.

This is Dunbartonshire and Argyll & Bute Valuation Joint Board's Risk Management Strategy. It sets out policy in respect of business risk and provides a framework to structure the risk management approach.

## 2. **POLICY CONTEXT**

Dunbartonshire and Argyll & Bute Valuation Joint Board (DAB VJB) aims to provide high quality, transparent, effective and responsive services to all of our stakeholders.

In order to achieve this DAB VJB is committed to the management of risks within its control in order to safeguard its employees and service users, protect its assets, preserve and enhance service delivery and maintain effective stewardship of its funds.

Given the statutory nature of the duties and functions of the Assessor & ERO, the Board generally seeks to adopt a low appetite to Risk.

## 3. **AIMS AND OBJECTIVES OF THE STRATEGY**

The aims and objectives of the strategy include:-

- Identification of risks
- Quantification of risks
- Control of risks
- Financing of risks

## 4. **SCOPE OF THE STRATEGY**

All risks associated with

- Compliance with Statutory Duties and delivery of services
- Staff
- Assets
- Infrastructure
- Systems
- Stakeholders

will be included in the risk management process. Risk management is a continuous process which will incorporate all strategic and operational risks. Examples of categories of strategic and operational risks which may be considered are provided in Appendix 1.

## 5. **PROCESS AND METHODOLOGY**

To manage risk effectively, the internal and external risks affecting, or potentially affecting, service delivery or operational areas need to be systematically identified, analysed, controlled and monitored.

The Joint Board has approved an approach to risk management where the Joint Board annually approves a strategic, or 'Board', Risk Register highlighting the main areas of risk to the Board. All other corporate level risks are contained in an Operational Risk Register which is maintained and managed by the Management Team.

Further, a number of additional registers continue to be maintained for a number of specific tasks or projects including for the Annual Electoral Canvass, Rolling Registration procedures, Electoral Integrity and the Electoral Management System.

A four stage approach to risk management is adopted for each of these Registers

## 5.1 Approach

### 5.1.1 Risk Identification

Actual losses and failures which may have occurred as well as those which will, or potentially will, threaten the Joint Board will be identified and listed in the relevant Risk Register.

### 5.1.2 Risk Analysis

Each risk identified will be systematically and accurately assessed. The process will assess:-

- Likelihood - the probability of a risk event occurring, and
- Impact - the potential severity of the consequences should such an event occur.

Using managers' knowledge and experience, judgements will be made about the likelihood and severity of events occurring and these will be categorised as low, medium or high risk. The probability and severity will then be assessed together, normally, using the matrix in Appendix 2\*, and prioritised for control action.

\*Note, however, that a number of registers are derived from approaches recommended by, for example, the Electoral Commission and these may contain differing analysis methods.

### 5.1.3 Risk Control

Actions will be taken or planned to minimise the likelihood of each risk occurring or the severity of the consequences should it happen. This may require the identification and implementation of projects or revisions to operating practices. The appropriate action may be to transfer risk to another body or insure against the risk.

All planned actions will be included in a Risk Action Plan.

### 5.1.4 Risk Monitoring

Using the above Action Plan, the implementation and effectiveness of any actions or amendments to operating practices will be monitored and reviewed and the nature of risks will be assessed for change over time.

## 5.2 Risk Registers

- The Joint Board's Management Team will be responsible for developing and maintaining the corporate 'Board' and 'Operational' Risk Registers.

- The Valuation Joint Board will be responsible for approving the strategic ‘Board Risk Register and Action Plan’, annually.
- The Risk Action Plan will be reviewed by the Management Team at regular meetings.
- Relevant managers will be responsible for developing and managing Risk Registers for specific areas of function or individual projects.
- The Assessor and ERO will have overall responsibility for the risk management within the Joint Board.

Further details of the procedures for identifying, assessing and controlling risk are included in the Joint Board’s “Risk Management Procedures” document.

## 6. ROLES AND RESPONSIBILITIES

	<b>Role</b>
Elected Members	Oversee the effective management of risk by officers of the Joint Board and approve ‘Board’ Risk Register.
Assessor and ERO	Ensure that the Joint Board manages risk effectively through the maintenance and review of a Risk Management Strategy. Overall responsibility for the development and maintenance of corporate risk registers Report ‘Board’ Risk Register to Joint Board, annually, for approval. To liaise with West Dunbartonshire Council in all matters relating to insurances.
Management Team	Input into the development, implementation and review of a Risk Management Strategy. Input into the development and maintenance of corporate Risk Registers To ensure risk is effectively managed across all areas of function Organise relevant training and raise awareness of the Risk Management Strategy. Monitor and Review success of risk control actions and procedures.
Line Managers	Assist in the implementation of the Risk Management Strategy and Risk Actions across relevant area of function
Employees	Make every effort to be aware of situations which place themselves, others or service delivery at risk and report hazards. Provide information on any risks or hazards to Management Team for inclusion within risk register.
West Dunbartonshire Council	Provide assistance, advice and training on budgetary planning and control. Provide assistance and advice on insurance and risk. Assist in the handling of any litigation claims Negotiate insurance cover.
Internal Health & Safety Committees	Advise on any health and safety implications of the chosen or preferred arrangements for service delivery

## **7. IMPLEMENTATION AND REVIEW**

Implementation of this revised Strategy will include the following:-

- The Strategy will require the Approval of the Joint Board
- The Management Team will annually review risk registers including the identification, analysis and controls required for existing and future risks.
- The Management Team will review progress against Risk Action Lists at its regular meetings.
- The Risk Management Strategy will be reviewed at 3-yearly periods or more frequently, if required.

## **8. FINANCING RISK AND INSURANCES**

Risk financing and the securing of appropriate insurances are important elements of risk management. The approach to these will be to reduce the total cost of risk, which includes;

- The amount of uninsured losses met by the Joint Board's funds
- Insurance premiums for the external insurance cover obtained
- Excesses applied to individual claims
- Management and administration costs associated with risk and insurance
- The cost of preventative measures taken to reduce risk.

Insurance, broking and loss adjusters will be procured in liaison with the Strategic Lead for Resources in West Dunbartonshire Council.

Revenue budgets will carry the costs relating to risk prevention and loss.

## **9. COMMITMENT**

This strategy has been approved by the Valuation Joint Board. It provides a robust framework for the continuous improvement of risk management practices across the Joint Board's areas of function.

**Strategic Risks** are hazards and risks which need to be taken into account in judgements about the medium to long term goals and objectives of the Valuation Joint Board. These may include:-

<b>Risk Category</b>	<b>Description</b>
Political	Those associated with failure to deliver either local/central government policy.
Economic	Those affecting the ability of the Joint Board to meet its financial commitments, including budgetary pressures, failure to purchase adequate insurance cover and changes in the economy.
Social	Those relating to the effects of changes in demographic, residential or socio-economic trends on the Joint Boards ability to deliver its services
Technological	Those associated with the Joint Board's capacity to deal with the pace/scale of technological change, its ability to use technology to address changing demands, or the consequences of failure of technologies on the Joint Board's ability to deliver its services.
Legislative	Those associated with current or potential changes in the law. Those associated with failure to meet statutory duties
Environmental	Those related to the environmental consequences of delivering the Joint Boards services.
Competitive	Those affecting the competitiveness of the service in terms of cost or quality
Customer/Citizen	Those associated with failure to meet the current and changing needs, expectations and aspirations of customers and services

**Operational Risks** are hazards and risks which managers and staff will encounter in the daily course of their work. These may include:-

<b>Risk Category</b>	<b>Description</b>
Professional	Those associated with the particular nature of each profession
Financial	Those associated with financial planning and control and the adequacy of insurance cover
Legal	Those related to possible breaches of legislation
Physical	Those related to fire, security, accident prevention and health & safety
Contractual	Those associated with the failure of contractors to deliver services or products to the agreed specification and cost and within agreed timescale.
Technological	Those related to reliance on operational equipment (e,g IT systems etc)
Environmental	Those related to pollution, noise or energy efficiency of ongoing service operation.



**Risk Evaluation Matrix**

<b>I M P A C T</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>9</b>
	<b>2</b>	<b>2</b>	<b>5</b>	<b>8</b>
	<b>1</b>	<b>1</b>	<b>3</b>	<b>6</b>
		<b>1</b>	<b>2</b>	<b>3</b>
		<b>LIKELIHOOD</b>		

<ul style="list-style-type: none"> <li>• <b><u>Likelihood</u></b> - “Probability of a risk event occurring”</li> <li>1. Unlikely but could happen (Low)</li> <li>2. Likely to happen (Medium)</li> <li>3. Very likely or already happening (High)</li> </ul>	<ul style="list-style-type: none"> <li>• <b><u>Impact</u></b> - “Severity of the consequences should such an event occur”</li> <li>1. This will cause some problems but could be managed (Low)</li> <li>2. This will cause significant delay or interruption to our services (Medium)</li> <li>3. This could cause our services to fail (High)</li> </ul>
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