

Risk Management Policy

(Policy Number – L-GOVPOL007)
(Policy Type – Council)

1 Aim

Council's aim is to ensure there is a culture and awareness of the processes directed towards the effective management of risks across the organisation. Risks are to be managed in a manner consistent with the Council's risk appetite as outlined within the Risk Management Framework. Risk tolerance and mitigation is achieved through the implementation of sound risk management practices and processes.

2 Policy Statement

Council maintains a strong commitment to embedding effective risk management into all activities. The primary objectives of risk management are to create and protect value including, but not limited to:

- community benefit
- ratepayer satisfaction
- economic, social. and environmental benefits
- compliance
- safety
- security

Effective risk management increases the predictability of outcomes and has the potential to reduce losses.

Risk management is a core responsibility of the Council's management. Management has the responsibility to:

- evaluate the risk environment
- put in place appropriate controls
- monitor the effectiveness of controls
- communicate the risk management framework, plans and procedures throughout Council

The objectives of this policy are to assist Council in striking a balance between risk management and opportunity taking, whilst achieving the objectives set out in Council's strategic plan by ensuring risk management is integrated into annual and business planning processes to:

- avoid, eliminate or minimise harm and/or loss
- minimise any adverse impacts uncertainty presents
- support and enable effective:
 - delivery of services to the community
 - innovation and business improvement
 - practices which lead to a risk awareness culture

- have regard to long-term and cumulative commitments by Council to environment, economic, social and governance objectives, aligned with its planning and reporting framework

This Policy applies to councillors, staff, volunteers, contractors, and service providers engaged and authorised to deliver services on behalf of Council.

3 Policy Detail

Purpose	Description
Risk Management Framework	<p>The Risk Management Framework assists the Council in ensuring the integration of risk management into its activities and functions.</p> <p>The Risk Management Framework is consistent with and aligned to the Australian/New Zealand ISO Standard on Risk Management (AS/NZS ISO 31000:2018 (en)) and subsequent revisions.</p> <p>The Framework comprises several important steps including:</p> <ul style="list-style-type: none"> • identifying and analysing the main risks facing the Council • evaluating those risks and making judgements about whether they are acceptable or not • implementing appropriately designed control systems to manage risks in a way which is consistent with the Council's risk appetite • treating unacceptable risks by formulating responses following their identification, including actions to reduce the probability or consequences of an event, and formulation of contingency plans • documenting processes • ongoing monitoring, communication, and review
Risk Management Culture	<p>Risk management will be embedded into the Council's culture.</p> <p>Council will foster a positive risk management culture which accepts risk management as a positive attribute of the decision-making processes, rather than being just a corrective measure/action.</p>
Risk Management Profile and Appetite	<p>Council will seek to manage its risk profile carefully and proactively. Poorly managed risks may lead to significant impairment of operations, financial losses, harm to the community or environment and/or damage to Council's reputation.</p> <p>Council will develop a risk appetite for its most significant risks. This will define the amount of risk Council is willing to accept in pursuing its strategic objectives and will inform the approach Council takes in managing risks and the pursuit of opportunities in day to day operational activities. It will equally assist Council in its strategic decision making processes.</p>
Strategic Risk Management	<p>Council will maintain a strategic risk register of those risks which could materially impact the delivery of Council's long term or strategic vision and/or reputation.</p>

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	<p>Strategic risks, controls and improvement actions will at a minimum be considered by:</p> <ul style="list-style-type: none"> the Council at the commencement of the annual planning process the Audit Panel as part of the development of audit and compliance plans the Management Team in developing Council's Annual Plan and reporting processes <p>Council will determine its risk appetite for each individual strategic risk within acceptable tolerance levels. Where possible, tolerance levels will be quantified.</p> <p>Any material negative change in a strategic risk will be reported to the General Manager, Council and the Audit Panel as soon as practicable.</p> <p>The General Manager is ultimately responsible for the management of all of Council's strategic risks.</p>															
Operational Risk Management	<p>Council will maintain an operational risk register.</p> <p>Managers, team leaders and supervisors are accountable for the day to day management of operational risks. While risk management will be continuous, a full operational risk review will be undertaken as part of the development of the Annual Plan.</p> <p>As a guide the following suggests how risk ratings will be used:</p> <table border="1" data-bbox="523 1167 1428 1648"> <thead> <tr> <th data-bbox="523 1167 719 1234">Risk Rating</th> <th data-bbox="719 1167 1002 1234">Minimum Treatment</th> <th data-bbox="1002 1167 1428 1234">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="523 1234 719 1406">Extreme</td> <td data-bbox="719 1234 1002 1406">Reject and avoid or mitigate</td> <td data-bbox="1002 1234 1428 1406">Immediate action required in consultation with the General Manager to either avoid the risk entirely or to reduce the risk to low, medium or high rating.</td> </tr> <tr> <td data-bbox="523 1406 719 1541">High</td> <td data-bbox="719 1406 1002 1541">Accept and mitigate</td> <td data-bbox="1002 1406 1428 1541">These risks need to be mitigate with actions as required. Managers are to be assigned these risks.</td> </tr> <tr> <td data-bbox="523 1541 719 1608">Medium</td> <td data-bbox="719 1541 1002 1608">Accept</td> <td data-bbox="1002 1541 1428 1608">Mange by specific monitoring o response procedures.</td> </tr> <tr> <td data-bbox="523 1608 719 1648">Low</td> <td data-bbox="719 1608 1002 1648">Accept</td> <td data-bbox="1002 1608 1428 1648">Manage by routine procedures.</td> </tr> </tbody> </table> <p>Any risk identified as extreme or high, or those outside of the target risk rating will be reviewed and reported to the General Manager.</p> <p>Any material negative change in an operational risk will be reported to the Council and the Audit Panel as soon as practicable.</p> <p>Operational risks will be regularly reviewed and where appropriate updated as part of internal and external audit processes.</p>	Risk Rating	Minimum Treatment	Description	Extreme	Reject and avoid or mitigate	Immediate action required in consultation with the General Manager to either avoid the risk entirely or to reduce the risk to low, medium or high rating.	High	Accept and mitigate	These risks need to be mitigate with actions as required. Managers are to be assigned these risks.	Medium	Accept	Mange by specific monitoring o response procedures.	Low	Accept	Manage by routine procedures.
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	Service level risks will be identified through the annual service planning process. The responsible officer for managing the service will report at least quarterly to the Management Team.
Project Risk Management	Risk management will be integrated within project management and will include key decision making and reporting processes.
Risk Management Awareness and Capability	<p>Councillor, staff and where appropriate volunteers and contractors will be briefed on relevant risk management principles, practices, and processes.</p> <p>Staff with specialist risk and compliance roles will be supported to develop and maintain appropriate qualifications and skills.</p> <p>All Council staff are to be responsible for:</p> <ul style="list-style-type: none"> • helping to identify risks within their work environment • implementing risk treatment plans within their area of responsibility • following standard operating procedures (where applicable) • communicating or escalating new risks that emerge to management <p>Each employee is accountable for risk management within their own areas of responsibility.</p>
Risk Management Committee	A Risk Management Committee, comprising of appropriate staff as determined by the General Manager, will be maintained within Council. The Committee will provide advice to the General Manager on organisational risk management matters.

4 Associated Documents and References

4.1 Legislation References

- Local Government Act 1993
- Work Health and Safety Act 2012
- Work Health and Safety Regulations 2012
- AS/NZS ISO 31000 Risk Management

4.2 Strategic Plan Reference

Area	1	Governance
Program	1.5	Risk Management
Objective	1.5	Committed to risk management and building community capacity and resilience
Strategy	1.5.3	Maintain and improve risk management systems and culture as a core organisational focus
	1.5.4	Integrate risk management principles into all business practices and establish risk-based decision making

4.3 Other Associated Documents

- Risk Management Framework

APPROVED BY COUNCIL: 12 February 2024 Minute: 12.2

EFFECTIVE DATE: 12 February 2024

ADMINISTERED BY: Manager Corporate & Business Services

This policy will be reviewed periodically to ensure its relevance in terms of community needs and expectations and Council goals, targets, budget and statutory requirements.