

RISK MANAGEMENT POLICY

PURPOSE

Effective risk management minimises the impact of adverse events by implementing and monitoring effective mitigation of risks. It also assists to maximise on opportunities that arise when risks are identified.

The Shire will embed a coherent, systematic and structured approach to effectively manage risks arising from objectives identified in the Strategic Community Plan, Risk Management Forum and Risk Management Matrix.

This policy applies to management of all strategic and operational risks associated with the delivery of projects and services.

OBJECTIVE

The objectives of the Risk Management Policy are delivered through the Risk Management Framework. These objectives are:

1. Develop, implement and maintain effective risk management systems and tools to identify, assess and mitigate strategic risks;
2. Assign roles and responsibilities for risk ownership;
3. Ensure treatment of risks aligns with Risk Appetite and Risk Tolerance;
4. Engage senior management to drive a risk aware culture that 'sets the tone from the top;'
5. Provide adequate training and resources for councillors and officers to assist the Shire to move towards embedding risk management in the culture;
6. Review and develop a risk register to record how strategic risks are being managed by aligning identified risks to the Strategic Community Plan aspirations;
7. Actively monitor and report on the management of risks to the Audit & Risk Committee and Council;
8. Communicate and engage with internal and external stakeholders about risk management at the Shire; and
9. Continuously improve tools within the risk management framework.

DEFINITIONS

Risk

The effect of uncertainty on objectives. An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats. Objectives can have different aspects and categories, and can be applied at different levels AS/NZ ISO 31000:2018

Risk management

Coordinated activities to direct and control an organization with regard to risk (AS/NZ ISO 31000:2018)

Risk Management Policy

Statement of the overall intentions and direction of an organization related to risk management (ISO Guide73:2009)

Risk Management Framework

Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization (ISO Guide73:2009)

Risk Appetite

Amount and type of risk that an organization is willing to pursue or retain (ISO Guide73:2009)

Risk Tolerance

An organisation's or stakeholder's readiness to bear the risk after risk treatment in order to achieve its objectives (ISO Guide73:2009)

Risk Assessment

Overall process of risk identification, risk analysis and risk evaluation (ISO Guide73:2009)

POLICY

Council's commitment to effective risk management is supported by the Risk Management Framework which facilitates:

1. Embedding an organisation-wide risk management approach that aligns to the achievement of strategic objectives;
2. Developing a risk management policy and framework that implements the guidance provided by Australian New Zealand Standard for Risk Management (AS/NZS ISO 31000:2018);
3. Integrating the risk management and governance frameworks;
4. Deploying sufficient resources to effectively manage risks;
5. Managing risks effectively to protect Council's intangible and tangible assets;
6. Building confidence and trust with stakeholders by consistently and efficiently managing risks;
7. Regularly monitoring and reviewing the effectiveness and efficiency of the risk management policy and risk management framework;
8. Reporting risk management against performance indicators;
9. Communicating effectively and working together with internal and external stakeholders inviting and, where appropriate, implementing feedback received; and
10. Assigning roles and responsibilities for ownership and accountability for managing risks; and
11. Identifying emerging risks.

RISK MITIGATION

1. Risk Management Governance Framework.
2. Business Continuity Management Procedure Manual & Response Plan.
3. Regular Audit & Risk Progress Reporting to Council.
4. Regular reporting on Annual Leave liabilities to Council.
5. Regular reporting against the Risk Register/Matrix to Council.
6. Adherence to the Work Health & Safety Policy.
7. Regular review and update of Risk Management related documents.
8. Regular review of Council Policies.

STATUTORY ENVIRONMENT

Australian New Zealand Standard for Risk Management (AS/NZS ISO 31000:2018)

ISO Guide 73:2009, Risk management — Vocabulary

Local Government (Audit) Regulations 1996 (R.17- CEO to review certain systems and procedures)

Local Government Act 1995 Section 2.7 – Role of Council

Local Government Act 1995 Part 7 – Audit

Record of Policy Review						
Version	Author	Council Adoption	Resolution	Reason for Review	Review Date	CEO Signature
01	Graeme Fardon	29/11/14	100-14/15	New Policy		
02	Graeme Fardon/ LGIS Consultant	20/12/18	115-18/19	<i>Policy Review Project – 5/12/2018</i>		
03	Graeme Fardon	17/12/20	97-20/21	Biennial Policy Review	Dec 2020	
04	Nicole Gibbs	31/08/23	52-23/24	Biennial Policy Review	Aug 2025	