

COUNCIL POLICY



Policy name	Risk Management Policy
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Abstract

Aim of the Risk Management Policy is to provide a framework and guidance for the management of risks associated with the delivery of the entirety of Council's functions and operations and to maximise opportunities and minimise adverse impacts.

Dates	Policy or amendment approved	20 Feb 2013
	Policy or amendment takes effect	1 Mar 2013
	Policy is due for review (up to 4 years)	28 Feb 2014
Endorsed by	Director Community and Corporate Services	
Approved by	Gunnedah Shire Council, at its Ordinary Meeting of Council held 20 Feb 2013 Resolution number: 230	
Policy Custodian	Director Community and Corporate Services	
Relevant to	All levels of Council, including but not limited to Councillors, Committees, Internal Auditors, External Auditors and all staff.	
Superseded Policies	Risk Management Policy, adopted 15 Sept 2010	
Related documents	ISO 31000:2009, Risk Management Framework, Policy Framework, Internal Audit Committee Charter, Risk Management Directive	
Related legislation	Local Government Act and Regulations, Workplace Health and Safety Act	
File number	676837	

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Appendix A: Risk Management Contextual Diagram

1. Purpose

- 1.1 The purpose of this policy is to ensure that Council and the public are informed in a clear manner of Council's position and approach with regard to Risk Management. It further aims to ensure that sound risk management practices and procedures are fully integrated into Council's strategic and operational planning processes. Its implementation will ensure that elected members and management recognise that they have a responsibility to ensure that Council identifies and addresses all threats and opportunities associated with it carrying out its functions.

2. Scope

- 2.1 The Risk Management Policy applies to all areas of Council's activities in the delivery of its functions as a Local Government Council, both at the elected member and staff levels.

3. Definitions

- 3.1 No definitions deemed required with all terms used having their everyday meanings intended.

4. Policy principles

- 4.1 Gunnedah Shire Council is committed to the identification and management of all risks associated with the performance of Council functions and the delivery of services. The risk management framework is to be implemented in a logical, integrated and systematic manner in the identification, analysis, assessment, and control and monitoring of risks that are likely to have an adverse impact on Council's operations.
- 4.2 The aim of this Policy is not to eliminate all risk, but rather to manage the risks involved in Council's activities to maximise opportunities and minimise the adverse impact of threats.
- 4.3 This policy demonstrates Council's recognition that the management of risk is integral to the achievement of the outcomes, goals, strategies and actions as identified the Community Strategic Plan and the Delivery Program.

5. Policy statement

5.1 Context of Policy within Council's overall risk management approach

5.1.1 Appendix A provides a diagrammatical representation of the relationship between this policy and the other documents and process encompassing Council's approach to risk management. In addition to those documents and processes displayed in the diagram and prescribed below, management will develop and implement any management directives required to achieve the objectives and requirements as set out in this policy and the Risk Management Framework.

5.2 Risk Management Framework

5.2.1 This policy requires Council to maintain a Risk Management Framework consisting of at a minimum the following content:

- (a) strategy in identifying and dealing with risks and the categorisation of risk;
- (b) processes to identify and manage risks;
- (c) templates, tools and supporting documents to assist Councillors and staff in the identification and management of risks.

5.2.2 The Risk Management Framework will be maintained so as to ensure that:

- (a) risk management practices are integrated into Council's planning and decision making processes;
- (b) a risk management ethos and practices are promoted and supported throughout Council;
- (c) foster the participation of and input from all employees in management of risks;
- (d) wherever economically possible impacts of risks will be reduced and high level risks eliminated or insured against where unavoidable;
- (e) promote and facilitate more effective allocation and use of resources;
- (f) promote and provide for higher levels of accountability;
- (g) all appropriate communication of requirements, necessary education and training are afforded to Councillors and staff.

5.3 Risk Register

5.3.1 This policy requires Council to maintain a risk register which lists all risks identified along with a high level summary of the status of those risks.

5.4 Risk Management Action Plan

5.4.1 In accordance with this policy Council shall maintain an action plan detailing all required information to enable the management, reporting and monitoring of each risk identified.

5.5 Internal Audit

- 5.5.1 In accordance with this policy and the Internal Audit Guidelines, (as released by the Chief Executive Officer of the Division of Local Government, Department of Premier and Cabinet under section 23A of the Local Government Act), Council will form and maintain an Internal Audit Committee with an appropriate charter to assist in Council's management of risks and strengthen its framework. The charter of the committee will be in accordance with the Internal Audit Guidelines.
- 5.5.2 Council will engage appropriate resources, with regard to capability, cost, and the overall context of risk management to carry out an internal audit function as and when required in accordance with the recommendations of the Audit Committee or management based on the risk management framework.

5.6 Legislation, standards and guidelines

- 5.6.1 In addition to complying with all relevant legislation in the application, monitoring and review of its risk management policy and framework and their implementation, Council will have regard to all relevant standards and guidelines, including but not limited to:
- (a) the international standard for risk management, ISO 31000:2009;
 - (b) any relevant guidelines issued by the Division of Local Government.

5.7 Risk management application and practice

- 5.7.1 In the application of this policy and the Risk Management Framework, Council and its staff will keep in mind that effective risk management requires:
- (a) a strategic focus;
 - (b) a system for the setting of priorities where there are competing demands on limited resources;
 - (c) forward thinking, planning and proactive approaches to management;
 - (d) a balance between the cost of managing risk and the anticipated benefits; and
 - (e) contingency and continuity of business planning in the event that critical threats are realised.

6. Accountability, roles and responsibilities

- 6.1 Policy custodian: Director of Community and Corporate Services
- 6.2 Risk Management Framework Custodian: Manager Finance and Governance

7. Acknowledgements

- 7.1 Nil required

8. Version control and change history

Date	Version	Approved by & resolution no.	Amendment
15 Sept 2010	Initial adoption	Council: Res No. 63.3	Initial implementation and adoption
13 Feb 2013	Revised draft	TBA	To revise, simplify and reference internal audit and committee

Appendix A: Risk Management Contextual Diagram

