

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 12 Aug 2020 Policy or amendment takes effect 26 Aug 2020 Policy is due for review (up to 4 years) 26 Aug 2024
Endorsed by	Director Corporate and Community Services
Approved by	Gunnedah Shire Council, at its Ordinary Meeting of Council held 15 Sep 2010 Resolution number: 63.3
Policy Custodian	Director Corporate and Community Services
Relevant to	All levels of Council, including but not limited to Councillors, Committees, Internal Auditors, External Auditors, staff and contractors.
Superseded Policies	Risk Management Policy, adopted 20 Feb 2013
Related documents	ISO 31000:2009 2018 Risk Management Guidelines Management Directive- Risk Management Framework Policy Framework Internal Audit Committee Charter Risk Management Directive Work Health & Safety Policy
Related legislation	Local Government Act 1993 Local Government (General) Regulation 2005 Workplace Health and Safety Act 2011

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1. Purpose

To imbed risk management practices in all Council processes, systems, decision making and planning, in order to create and protect value, and optimise Council's ability to achieve its objectives.

2. Scope

The Risk Management Policy applies to:

- all Councillors, Council staff and contractors.
- all Council functions and activities.

3. Definitions (based on Risk Management Standard)

- Risk Management Standard - AS ISO 31000:2018 Risk Management Guidelines.
- Risk – The effect of uncertainty on objectives.
- Enterprise risks – Objectives can be applied at difference levels. Enterprise risks are risks that potentially impact on the ability to achieve Council's strategic or high level objectives, or enterprise wide objectives (sometimes called strategic risks)
- Operational risks – Risks that potentially impact on the day-to-day operations of Council, in terms of service delivery and business functions.
- Control – A Measure that maintains and/or modifies risk.
- Risk Management – Coordinated activities to direct and control Council with regard to risk.
- Risk management framework – The set of components that provide the foundations for risk management throughout Council, including policies, procedures, business rules and risk management tools.

4. Policy principles

Consistent with the Australian Standards, International Standards Organisation 3100:2018, Risk Management – Guidelines ('ÁS ISO 31000:2018'), these principals guide risk management practices in Council.

We will:

- Integrate risk management practices into all Council activities, including planning, decision making and project management processes.
- Design and maintain a risk management framework that is structured, fit for purpose and dynamic.
- Consult with stakeholders and incorporate their perceptions, knowledge and views.
- Make decisions about risk, using the best available information, including historical and current data, experience, forecasts and future expectations.
- Consider human and cultural factors.
- Continually improve the risk management framework, through learning and experience.

5. Policy statement

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

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

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

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

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 31000:2018;
- (b) any relevant guidelines issued by the Division of Local Government.

5.7 Risk management application and practice

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

All staff will:

- Bring a risk management mindset to all Council functions, services, decisions, projects, processes and planning as part of business as usual practice.
- Ensure contractors and consultants comply with risk management practices in accordance with Council policy and procedure.
- Implement the risk management process in everyday practice by identifying, assessing, evaluating, treating and communicating risks and opportunities, in accordance with Council policy and procedure.
- Communicate/escalate risk to appropriate level of management in accordance with Council and procedure.
- Record risks, controls and treatment decisions in accordance with Council policy and procedure.

Managers and Directors will:

- Ensure the Risk Management Framework is applied effectively in all unit functions.
- Monitor the risks of the business unit, and the effective management of those risks.

Manager Governance and Legal will:

- Develop, implement, maintain and regularly review Council's Risk Management Framework with a view to continuously improving the framework and tailoring it to Councils needs.
- Develop, implement and monitor Councils Enterprise Risk Management Plan.
- Ensure risk management practices are integrated into all Council processes, including the Councils corporate planning and policy frameworks.
- Develop and maintain business rules and processes to support the integration of risk management practices across all Council systems and processes.
- Develop information resources to support staff to carry out risk management practices.
- Provide secretarial services to Council's Audit Committee.
- Manage Council's internal audit function in accordance with the Audit Committee Charter and Council policies and practices.

People and Culture Executive Manager will:

- Develop and continuously review Council's WHS Management Framework, including the Work Health and Safety Policy and safety systems for safety risks.

General Manager (on advice from Executive Management Team) will:

- Promote a risk-aware culture throughout Council.
- Ensure the establishment and implementation of an effective Risk Management Framework.

- Endorse the Risk Management Policy, risk criteria and tolerance settings.
- Monitor risks and the management of those risks by risk owners.
- Provide adequate resources to manage risk.

Audit Committee will:

- Review and oversee Council’s Risk Management Framework and practices in accordance with the Audit Committee Charter.

Council will:

- Adopt Council’s Risk Management Policy
- Govern in accordance with the policy and the principals of the Local Government Act 1993, including in relation to proactively and effectively managing risks to the local community and the Council.

7. Acknowledgements

Willoughby City Council – Risk Management Policy.

8. Version control and change history

Date	Version	Approved by & resolution no.	Amendment
15 Sep 2010	Initial Adoption	Council Resolution 63.3	Initial implementation and adoption.
13 Feb 2013	Revised	Executive Management Team	Minor amendments to revise, simplify and reference internal audit and committee.
July 2020	Revised	Council Resolution 16.08/20 (Audit Committee Meeting Minutes 15/07/20)	Minor amendments to position titles, significant amendments to accountability, roles and responsibilities.

Appendix A: Risk Management Contextual Diagram

