COUNCIL POLICY

Risk Management

Approved By: **Council**	Document Code: **CP-CCS-CG-027**
Doc Controller: **General Manager**	Version: **5.0**
File: 4/14/2	Approved Date: **26 Apr 2022**
	Next Review Date: **26 Apr 2024**

1 PURPOSE

Effective risk management helps organisations to enhance the value of the organisation; increase the predictability of outcomes; and reduce insurable losses. The core principle and purpose of risk management is to create and protect value. Council's value can be expressed in many ways, including community benefit; rate payer satisfaction; economic, social and environmental benefit; compliance; safety; and security.

Managing risk creates and protects value by supporting the purpose and objectives of Council and the organisation; informing decision about resource prioritisation and trade-offs; improving capability to plan for and exploit disruption, risks, threats and opportunities; achieving a cost-benefit balance that takes account of uncertainty and the risk appetite of Council; supporting compliance with legislative, contractual and policy requirements; managing threats to people, property and the environment; and enhancing the organisation's adaptability in a changing environment.

Council and its Executive Management Team have oversight of decisions that are affected by uncertainty. Risk management provides a mechanism to ensure:
- decisions are justifiable and based on reliable information;
- decisions take into account Council's risk appetite and tolerance;
- uncertainty, including the possibility of unexpected events, is taken into account when weighing the advantages and disadvantages of options;
- potential opportunities are considered and explored; and
- risks are recognised and appropriate controls are put in place with accountabilities assigned.

2 SCOPE

This policy applies to Councillors, council staff, volunteers, contractors and service providers engaged to conduct authorised Council business.

Risk management is integrated into our strategic, operational and service planning, management systems and processes, and Council operations so that it is an integral part of our organisational culture.

3 POLICY

The Council will maintain a Risk Management Framework detailing its approach to risk management and to provide a consistent methodology to assess, prioritise and manage risk.

The Risk Management Framework will be approved by the General Manager in consultation with the Executive Management Team (and noted by the Audit Panel and Council) and reviewed at least every two years.

The Framework will be aligned to the Australian/New Zealand ISO Standard on Risk Management (AS/NZS ISO 31000:2018) and subsequent revisions.

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3.1   Strategic Risk Management

Council will maintain a Strategic Risk Register of the risks that could materially impact the delivery of Council's long term vision, strategic plan or the delivery of services.

Strategic risks, controls and improvement actions will at a minimum be considered by:
- the Council at the commencement of the annual planning process
- the Audit Panel as part of development of audit and compliance plans
- the Executive Management Team (EMT) in developing Council's Annual Plan and on a six monthly basis.

Council will set a separate risk appetite for each individual strategic risk and its tolerance levels. Where possible these tolerance levels will be quantified.

Any material negative changes in strategic risks will be reported to the General Manager, Council and Audit Panel as soon as practical.

The General Manager is accountable for the management of strategic risks but may delegate management of particular strategic risks to a Director or Manager.

3.2   Operational and Service Risk Management

Identified Directors and managers are accountable for the management of operational risks. While risk management will be continuous, operational risks will be captured and reviewed in service level plans, and in strategic sub-risk registers where applicable.

A separate risk appetite will be set for each operational risk in the form of a target risk rating. In general, the following minimum treatment will apply for each risk rating:

	Assessed Risk Level	Required Action
Unacceptable	Extreme	Immediate action required
	High	Prioritised action required
Acceptable	Medium	Planned action required
	Low	Action by routine procedure

The status of extreme, high and any operational risks outside the target risk rating will be reviewed and reported to Directors, EMT and the General Manager in accordance with the escalation standards in the Risk Management Framework.

Any material negative change in operational risk will be reported to Directors and the EMT and where appropriate Council and Audit Panel as soon as practical.

Operational risks will be reviewed and where appropriate updated as part of internal and external audits or following a material event e.g. restructure, system change, injury.

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Service level risks will be identified through the annual service planning process. The service manager will be responsible for managing service level risk and will report quarterly, as part of the quarterly service reporting to the General Manager.

3.3   Project Risk Management

Risk management will be integrated with project management including key decision making and reporting processes.

The status of high priority projects will be reported at least quarterly to the Council and community.

3.4   Risk Management Awareness and Capability

Councillors, staff and where required volunteers and contractors will be appropriately briefed in relevant risk management principles, practices and processes.

Those staff with specialist risk and compliance roles will be supported to develop and maintain appropriate qualifications.

4   RELATED DOCUMENTS

Risk Management Framework GL-OGM-HR-001
Business Continuity Plan GL-OGM-RM-002

5   LEGISLATION AND STANDARDS

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

Policy Endorsement	
Responsibility:	It is the responsibility of the General Manager to ensure appropriate procedures and practices are implemented to support this policy. It is the responsibility of the Governance and Strategic Unit to maintain this policy in the Corporate Document Register. This policy states it will be reviewed every 2 years.
Minute Reference:	AO065-22
Council Meeting Date:	26 April 2022
Strategic Plan Reference:	Strategy 7.1.1 Formulate policy that is equitable, inclusive and responsive to current needs, and ensure decision-making is informed and accountable.
Previous Policies Replaced:	This policy replaces the previous Risk Management Policy CP-CBS-SG-027 version 4.0 dated 23 February 2021 (Item AO032-21.
Date of Commencement:	27 April 2022
Publication of policy:	Members of the public may inspect this policy at the City Offices. Alternatively it can be accessed on Council's website (www.burnie.net)