Risk Management Policy

POLICY STATEMENT

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 Town will embed a coherent, systematic and structured approach to effectively manage risks arising from objectives identified in the Strategic Community Plan.

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

POLICY DETAILS

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

- Embedding an organisation-wide risk management approach that aligns to the achievement of strategic objectives;
- 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);
- Integrating the risk management and governance frameworks;
- Deploying sufficient resources to effectively manage risks;
- Managing risks effectively to protect Council's intangible and tangible assets;
- Building confidence and trust with stakeholders by consistently and efficiently managing risks;
- Regularly monitoring and reviewing the effectiveness and efficiency of the risk management policy and risk management framework;
- Reporting risk management against performance indicators;
- Communicating effectively and working together with internal and external stakeholders inviting and, where appropriate, implementing feedback received; and
- Assigning roles and responsibilities for ownership and accountability for managing risks; and
- Identifying emerging risks.

POLICY OBJECTIVES

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

- Develop, implement and maintain effective risk management systems and tools to identify, assess and mitigate strategic risks;
- Assign roles and responsibilities for risk ownership;
- Ensure treatment of risks aligns with Risk Appetite and Risk Tolerance;
- Engage senior management to drive a risk aware culture that "sets the tone from the top";
- Provide adequate training and resources for councillors and officers to assist the Town to move towards embedding risk management in the culture;

- Review and develop a risk register to record how strategic risks are being managed by aligning identified risks to the Strategic Community Plan aspirations;
- Actively monitor and report on the management of risks to the Audit Committee and Council;
- Communicate and engage with internal and external stakeholders about risk management at the Town; and
- 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

GOVERNANCE REFERENCES

Statutory Compliance	- Australian New Zealand Standard for Risk Management (AS/NZS ISO 31000:2018) - ISO Guide 73:2009, Risk management — Vocabulary - The 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
Organisational Compliance	- The Risk Management Framework (OCM-175-2021) details systems and procedures to guide risk management.

Policy Administration

Directorate:		Officer title:
Executive Services		Manager Governance and Risk
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1 Risk Management Policy	26 March 2013	OCM-063-2013
2 Risk Management Policy and Procedure	27 March 2018	OCM-031-2018
3 Risk Management Policy	24 August 2021	OCM-120-2021