



G6 Risk Management

Policy Objective

To provide a strategic approach to risk management that raises risk awareness across the organisation and ensures sound risk management practices are integrated into the future planning and day to day practices of the Shire.

Policy

This policy is applicable to all of the Shire's operations, functions, activities, projects and events.

The Shire is committed to developing and implementing a Risk Management Framework in accordance with the risk management standard AS/NZS ISO 31000:2018, which will include systems to identify, treat, monitor, review and report risks across all of its operations.

The Shire is committed to developing and maintaining appropriate documentation to guide the implementation of enterprise risk management throughout the organisation.

The objectives of this policy are to:

- a) Promote a culture of risk awareness and active management of risks;
- b) Protect the Shire by systematically identifying risks and managing them appropriately;
- c) Ensure Council is provided with reliable information to support decision-making and planning;
- d) Reduce the potential costs of risk by reducing liability, preventing litigation and improving loss control, which impacts on the cost of insurance; and
- e) Assign responsibilities for managing risks.

G6.1 Responsibilities for Risk Management

Council

Council is responsible for:

- (a) Reviewing and approving the risk management policy, framework, and risk tolerance levels;
- (b) Considering risk management issues in reports to Council; and
- (c) Considering recommendations from the Audit Committee in relation to the adequacy of the shire's systems and processes for managing risk.

Audit Committee

The Audit Committee is responsible for the oversight of the Shire's approach to risk management and assessing the adequacy of the Shire's systems and processes for managing risk.

Chief Executive Officer

The Chief Executive Officer is responsible for

- (a) The implementation of Council's Risk Management Policy and Framework;
- (b) Ensuring the development, implementation and review of the Shire's Risk Management Framework;
- (c) Communicating to employees the Shire's commitment to developing, implementing and managing an effective Risk Management Framework;



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- (d) Ultimately determining if levels of residual risk are acceptable;
- (e) Ensuring reports prepared for Council include appropriate information in relation to risk to enable informed decision making; and
- (f) Undertaking reviews of the Shire's systems and processes for managing risk and reporting the outcome of those reviews to the Audit Committee.

Risk Tolerances

The level of risk that is acceptable to the Shire will be assessed and determined on a case by case basis; however, the Shire will maintain a conservative approach to risk.

In line with its conservative attitude to risk, the Shire will not accept risks that carry a major or catastrophic residual risk of any of the following events or circumstances occurring:

- (a) A significant negative affect on the Shire's financial sustainability;
- (b) An interruption to essential services that extends for more than one week;
- (c) Substantial public embarrassment;
- (d) Compromised safety or welfare of staff, Council Members, contractors or members of the community;
- (e) Damage to relationships with a majority of, or significant, stakeholders; and
- (f) A significant breach.

Reporting

A report on the adequacy of the Shire's systems and processes for managing risk will be presented to the Audit Committee and Council on a triennial basis.

DOCUMENT CONTROL BOX		
Custodian: Chief Executive Officer	Decision Maker: Council	
Compliance Requirements: Compliance Requirements: Compliance Calendar (September) r.17 Local Government (Audit) Regulations 1996 - The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to — (a) risk management; and (b) internal control; and (c) legislative compliance not less than once in every 3 financial years. The CEO is to report to the audit committee the results of that review.		
Legislation: r.17 [CEO to review certain systems and procedures] Local Government (Audit) Regulations 1996		
Industry:	AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines	
Organisational:		
Document Management:		
Risk Rating: Medium	Review Frequency: 3 Years	Next Due:
Version #	Decision Reference:	Description:
a	OCM 21/07/2020 Item 13.3	Comprehensive Policy Register Review
b	OCM 19/07/2022 Item 12.1.2	Comprehensive Policy Register Review
c	OCM 17/12/2024 Item 12.1.2	Policy Reconfirmed – No Amendments