

Policy number	Policy 004
Policy title	Risk Management
Strategic outcomes supported	CL8 – Visionary civic leadership with sound and accountable governance that reflects objective decision making. <u>CL3 – Accountability and good governance</u>

Policy objective:

The Town is committed to organisation-wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision-making and operational processes.

Policy scope:

This policy applies to all elected members, staff and volunteers/ contractors of the Town.

Policy definitions:

Risk is defined as ‘the effect of uncertainty on objectives’ by the AS/NZS ISO 31000:2018. A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative, or a deviation from the expected. An objective may be financial, related to health and safety, or defined in other terms.

Risk management is defined as the application of coordinated activities to direct and control an organisation with regard to risk.

Policy statement:

1. Council is committed to 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. Council seeks to identify all significant risks that could negatively impact its statutory and community obligations, and associated operations, and has processes in place to avoid, treat, transfer/share or accept risks within its sphere of control or influence.
2. By this commitment to risk management, the Council aims to achieve the following:
 - a. Minimise the occurrence of serious injury or loss of life
 - b. Minimise potential damage to reputation
 - c. Protect assets and natural and cultural resources
 - d. Meet legislative and compliance requirements
 - e. Minimise legal liability
 - f. Minimise disruption to operations and services
 - g. Minimise financial loss
 - h. Improve the Council’s governance and management capability and accountability
3. The Council and the Chief Executive Officer view risk management as an integral business process in effectively governing and managing the organisation.

4. The following are critical success factors for the successful application of this policy:
 - a. Under the direction of the Chief Executive Officer, the executive and senior management teams must lead and actively participate in the identification, analysis and management of risks within their areas of responsibility.
 - b. The Strategic and Operational Registers, and their associated controls and risk treatment actions, are to be maintained, reviewed, monitored and reported regularly.
 - c. Any residual risks that are outside the risk tolerance levels set by Council, or the control/authority/delegation of a risk owner to accept or retain, must be escalated for further action.
 - d. The risk management process will be undertaken in a systematic approach in accordance with best practice guidelines and the AS/NZS ISO 31000:2018 Risk Management Principles and Guidelines.

Roles and Responsibilities

5. Risk Management is the responsibility of all, however, Council recognises that the Chief Executive Officer has the ultimate responsibility for administering and implementing the Risk Management Framework and Policy.

Council

6. The Council has a governance overview role to ensure accountability to and application of the Risk Management Policy and Risk Management Framework. This includes the approval of the Town's Risk Management Policy and Framework, and the establishment of an Audit Committee in accordance with the Local Government Act 1995.

Audit Committee

7. The Audit Committee, under the direction of Council, is responsible for reviewing the Risk Management Policy and Framework, and making a recommendation to Council on the results of its review. It is further responsible for maintaining oversight over the Strategic Risk Register, ensuring that any actions arising from such risks are monitored and actioned accordingly.

Chief Executive Officer

8. The Chief Executive Officer provides corporate leadership and oversight for the application of the Risk Management Policy and Framework within the organisation, and is responsible for supporting a culture of risk management and ensuring strategic, comprehensive and systematic risk management processes operate within the organisation. The Chief Executive Officer is further responsible for:
 - a. Monitoring and reviewing the appropriateness and effectiveness of the Town's systems and procedures in relation to risk management
 - b. Ensuring that regular updates on strategic risks are provided to the Audit Committee
 - c. Monitoring and reviewing the Operational Risk Register to ensure that such risks are monitored and actions accordingly
 - d. Setting a Management Practice on risk to ensure that all employees, volunteers and contractors are aware of their roles and responsibilities relating to effective risk management.
 - e. Ensuring that any risks that fall outside of the Council's set risk tolerance, and any emerging significant risks, are escalated to accordingly, as per clause 4(c) of this policy.
 - f. Ensuring that the Risk Management Policy is reviewed in line with Policy 001 Policy Management and Development.

References

Local Government (Audit) Regulations 1996

[Department of Local Government – Model Risk Management Policy](#)

Related documents

[Local Government Act 1995 \(WA\)](#)

[Local Government \(Audit\) Regulations 1996](#)

Responsible officers	Coordinator Governance and Strategy
Policy manager	Manager Governance and Strategy
Approval authority	Council
Next evaluation date	

Revision history

Version	Action	Date	Authority	Resolution number	Report number
1	Adopted	08/11/2016	Council	-	Item 10.1
2	Reviewed and amended	20/08/2019	Council	148/2019	Item 10.1
3	Amended	18/02/2020	Council	324/2020	Item 15.5
4	Reviewed and amended	20/04/2021	Council	78/2021	Item 15.4