Policy number	Policy 004
Policy title	Risk Management
Strategic outcomes supported	CL3 – Accountability and Good Governance

Policy objective:

The Town is committed to implementing organisation-wide risk management practices that ensure a consistent, efficient, and effective assessment of risks across all areas of planning, decision-making, and operations. The objective is to manage risks in a manner that aligns with established standards and protects the Towns resources, reputation and legal obligations.

Policy scope:

This policy applies to all elected members, staff, volunteers, and contractors associated with the Town. It governs risk management practices at all levels within the organization.

Policy definitions:

Risk: Defined as the effect of uncertainty on objectives, encompassing both positive and negative outcomes. It is often characterised by an event or circumstance and its potential consequences, which could impact financial results, health and safety, or other key objectives.

Risk Management: Is the coordinated approach of identifying, assessing and managing risk to direct and control an organisations approach to risk.

Policy statement:

1. **Commitment to Risk Management Framework:**
   Council is committed to establishing and implementing a comprehensive Risk Management Framework aligned with the AS/NZS ISO 31000:2018 standard. This framework includes processes for identifying, treating, monitoring, reviewing, and reporting risks that may impact the Towns operations. The objective is to proactively avoid, treat, transfer, or accept risks within the Town's operational control.

2. **Goals of the Risk Management Commitment:**
   Through this policy, the Council aims to:
   a. Minimise serious injury or loss of life.
   b. Protect the Towns reputation and assets.
   c. Safeguard natural and cultural resources.
   d. Ensure compliance with legislative and regulatory requirements.
   e. Limit legal liabilities.
   f. Prevent disruptions to operations and services.
   g. Reduce financial losses.
   h. Enhance governance and accountability.

3. **Risk Management as Integral:**
   The policy stresses that risk management is not a standalone process but a fundamental part of the Towns overall governance and management activities.

4. **Critical Success Factors:**

   a. **Leadership and Participation:** Senior Management, led by the Chief Executive Officer, must take lead in identifying and managing risks within their areas of responsibility.
   b. **Continuous Monitoring:** Regular updates of the Strategic and Operational Risk Registers are required to ensure that risks are consistently reviewed and managed.
   c. **Escalation of Risk Events:** Any risks that exceed the Towns risk tolerance must be escalated for further review and action.
   d. **Systematic Approach:** Risk Management should follow a systematic, best practice process in line with the AS/NZS ISO 31000:2018 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
5	Reviewed and amended	13/12/2022	Council	266/2022	Item 15.6
6	Reviewed and amended	07/04/2025	Council		