

POLICY MANUAL

Policy No. 1	Risk Management
Purpose	The purpose of this Policy is to provide a framework for the management of risk, to reduce and mitigate potential risks and their consequences for the Council and the community.
Department	Governance
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POLICY

1. Definitions

<i>Risk</i>	The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of a combination of the likelihood of the occurrence of an event and its consequence.
<i>Risk Appetite</i>	The level of risk and consequence that the Council is willing to accept to achieve its strategic and operational objectives.
<i>Risk Management</i>	The coordinated activities to direct and control organisational risk.
<i>Risk Register</i>	The reporting tool used to record and assess risk and set out mitigating actions.

2. Scope

This Policy applies to all Councillors, the Council's employees, contractors and volunteers in the management of risk that arises from all the Council's activities.

3. Policy

The Meander Valley Council is committed to ensuring that risk management practices are embedded into all business processes and operations in order to drive consistent, effective and accountable action, decision making and management practice.

A strong risk management culture is critical to enabling the Council to safely achieve its strategic, operational and community service objectives. In mitigating risk, the Council will

maximise the value it delivers while minimising the potential for harm, financial and non-financial loss or consequence.

4. Risk Management Objectives

The Council manages risk to achieve the following objectives:

<i>Promote</i>	<ul style="list-style-type: none"> • An organisation wide approach by integrating risk management processes into each of the following areas: <ul style="list-style-type: none"> - Business strategy, project management and decision making; - Audit, insurance, and specialist risk functions; - Workplace health and safety; and - Compliance and general governance functions. • Consistency and transparency in methodology, assessment and management processes. • Proactive recognition of external factors and anticipation of uncertainties that may affect the achievement of strategic objective. • Confidence in operating performance, management decision making and the achievement of expected outcomes.
<i>Demonstrate</i>	<ul style="list-style-type: none"> • Sound business practice to residents, customers, employees and others.
<i>Sponsor</i>	<ul style="list-style-type: none"> • Innovation and maximise value from assets, investment, and opportunities.
<i>Provide</i>	<ul style="list-style-type: none"> • Appropriate, consistent, and transparent ownership and accountability for risk mitigation. • Mechanisms for the timely identification and effective management of risk occurrences and consequences. • Confidence in management practice to the Board. • Generating and maintaining a sound corporate history and learning organisation.

5. Risk Management Requirements

The Council is committed to the development of effective and robust risk management practices and meeting the objectives of this Policy. This commitment is reflected through the following areas:

- the Council will make available the necessary resources for the management of risk in accordance with this Policy and the Council’s risk appetite;
- each Director is accountable for managing their Network’s strategic and operational risks and for ensuring risks are identified and managed in accordance with the Risk Management Framework and Risk Register;
- risk registers are based on the outcomes of thorough risk identification and assessment processes that are developed in accordance with the Standard;
- review of risk registers are regularly conducted and reporting, and escalations occur as needed; and

- a review of the Council's risk appetite is facilitated on an annual basis, or sooner if needed.

6. Risk Management Framework

To manage risk, the Council will maintain a Risk Management Framework (RMF) which sets out the approach to assessing and managing risk. The RMF is a tool to systematically identify, assess, manage and monitor risk exposures that are likely to adversely impact the Council's operations. The RMF comprises the:

- Risk Management Policy (this Policy);
- Risk Appetite Statement;
- Strategic and Operational Risk Registers; and
- Internal audit processes and risk assessment documentation.

Risk Appetite Statement

As a public entity, the Council has a responsibility to ensure that unnecessary and high levels of risk are not a regular occurrence in its decision-making and daily operations.

To ensure the sustainable delivery of its services, the Council generally has a low appetite for unmitigated risks across its operations. However, when considering the future direction of the Council (outlined in the Community Strategic Plan and the Annual Plan), the Council is willing to accept that it will need to take some calculated risks to pursue opportunities and deliver key programs and projects for the future benefit of the Meander Valley community.

The Risk Appetite Statement adopted by Council annually, gives form and clarity on the Council's tolerance for risk. The Council's Risk Appetite settings will be considered by Councillors, employees, contractors and volunteers in their decision-making.

Without limiting the scope and extent of risk related matters, the RMF will consider the following risk categories (referred to as domains):

- people, culture and reputation
- infrastructure
- environmental and social
- financial sustainability
- health and safety
- service delivery
- legal and regulatory
- information, data and technology

Risk Register

The Strategic Risk Register and Operational Risk Register are to identify hazards that could occur in the Council's activities and mitigating actions that will be put in place to reduce the risk rating to a tolerable level as indicated in through the Risk Appetite Statement.

The RMF will be approved by the General Manager and will be reviewed at least every six months and comprehensively every 12 months.

The General Manager will report to Council (and the Audit Panel) on the review outcomes annually.

7. Roles and Responsibilities

Councillors, management, employees, contractors and volunteers all have a joint responsibility of making risk management a priority as they undertake their daily tasks in the operations of the Meander Valley Council. Management and staff are to be familiar with and competent in the application of the Council’s Risk Management Policy and are accountable for adherence to that policy within their areas of responsibility.

<i>Council</i>	<ul style="list-style-type: none"> • Approves the Risk Management Policy and the annual Risk Appetite Statement. • Provides adequate budgetary provision for the implementation of this policy.
<i>General Manager</i>	<ul style="list-style-type: none"> • Ensure implementation of appropriate risk management framework as an essential function. • Ensure risks are managed in accordance with standards, legislation and the Council’s policy. • Provide risk management related information, as requested by the Council. • Maintain strategic risk register and review systemic level practices to ensure continuous improvement and planned risk mitigation is achieved.
<i>Directors and Managers</i>	<ul style="list-style-type: none"> • Maintain operational risk registers and review systemic level practices to ensure planned risk mitigation is achieved. • Facilitate the provision of risk awareness training in their departments. • Ensure effective recognition and management of risks across the Council’s operations and their departments. • Ensure the Council’s assets and operational activities, together with liability risks to the public, are adequately protected through appropriate insurance, risk financing and loss control programs and measures. • Prepare and implement documented procedures for each area of operations. • Monitor and audit practices to ensure compliance with risk conditions and mitigation measures. • Provide information to assist in the investigation of a risk management issue or claim that against the Council. • Immediately act upon information provided by employees or residents who are reporting a hazard or incident. • Actively implement and report on audit recommendations; and • Promote and inform all employees, contractors and volunteers of about the RMF and measures to manage risk in their departments.

<i>Employees, contractors and volunteers</i>	<ul style="list-style-type: none"> • Ensure knowledge and compliance with the RMF and related policy and procedures. • Apply risk management practices to ensure mitigation of risk and incident prevention are part of daily tasks; • Report any emerging risk, non-compliance, hazard, incident, injury or near miss. • Assist with risk assessments or investigations. • Implement recommendations of audits.
<i>WH&S and Risk Management Committee</i>	<ul style="list-style-type: none"> • Co-ordinate and facilitate RMF practices. • Review the Council’s risk management policies and procedures. • Recommend new procedures or amendments to existing procedures to reduce risk. • Review and monitor the Council’s risk management performance measures. • Monitor the recommendations and outcomes from risk management audits.

8. Performance Review

The Council will ensure that there are ongoing reviews of its management system to ensure its continued suitability and effectiveness. Records of all reviews and changes shall be documented.

9. Legislation and Associated Council Policies

The Risk Management Framework integrates with, and is supported by, the Council’s Workplace Health and Safety Framework
Work Health and Safety Act 2012
Work Health and Safety Regulations 2012
AS/NZS ISO 31000: 2018 Risk Management Standard
AS ISO IEC 31010: 2019 Risk Management – Risk Assessment Techniques

10. Responsibility

Responsibility for the operation of this Policy rests with the General Manager.