



RISK MANAGEMENT POLICY

TITLE:	RISK MANAGEMENT POLICY
RESPONSIBLE OFFICER:	GENERAL MANAGER
APPROVED BY COUNCIL:	22 March 2005
RESOLUTION NO	63/2005
AMENDED ON	21/4/09, 19/7/16 & 16/11/21
RESOLUTION NUMBER:	421/2009, 120/2016 & 153/2021
REVIEW DATE	June 2023 (every four years after LG election).

POLICY STATEMENT

- 1.1 Council recognises that risk management is an integral part of good management practice and is committed to establishing an organisational culture that ensures risk management is embedded in Council activities and business processes.
- 1.2 Council will evaluate potential benefits alongside potential risks as a routine part of its business planning processes. Where the balance of advantage favours a particular activity or initiative, the identified risks will be planned for and managed, taking account of broader Council objectives and priorities.
- 1.3 Risks will be managed at the operational level in accordance with this policy and within risk management processes established by Council.

DEFINITIONS

- 2.1 Risk is the chance of something happening that will have an adverse impact or benefit on the achievement of Council in meeting its desired objectives. Risk is measured in terms of the likelihood of something happening and the severity/impact of the consequences arising from an event.
- 2.2 Risk management is the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects.
- 2.3 Risk management process is the systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analyzing, evaluating, treating, monitoring and reviewing risk.

OBJECTIVE

3.1 The objectives of this policy are to ensure:

- Council and senior management are in a position to make informed business decisions based on risk assessment;
- risks are able to be identified, prioritised and managed in a coordinated manner;
- strategic planning processes are improved as a result of a structured consideration of risk;
- sound business opportunities that benefit Council are identified, without exposing Council to unacceptable levels of adverse effects;
- compliance with relevant legislation;
- Council resources are safeguarded (eg. people, finance, property, information and reputation);
- the community is protected against losses, both physical and financial, that are controllable by Council, and
- continual improvement of Council.

3.2 This policy will be supported by a complementary Risk Management Framework.

SCOPE AND RESPONSIBILITY

4.1 This policy applies to all Councillors, employees, contractors and representatives.

4.2 Council will oversee risk management within Council, on the advice of the General Manager.

4.3 The Audit Panel will review the risk management framework as per its Charter, and provide advice to Council on any issues.

4.4 The General Manager will be responsible for the implementation of risk management within Council, and for responding to and reporting on significant risks that may emerge from time to time.

4.5 Departmental Managers will be responsible for implementing risk management within their portfolio areas, and will report regularly to the General Manager on any significant risks or risk areas.

4.6 All employees, contractors, representatives and volunteers are actively involved in identifying hazards, assessing and controlling risk.

PROCEDURE

5.1 Risk identification, evaluation and management in respect of particular operational and financial activities will be undertaken in accordance with Council's Risk Management Framework.

5.2 Council's strategic and enterprise risks will be maintained in a risk register and will be the subject of regular reports to Council through the Audit Panel. WHS risks are addressed separately through the WHS Management Plan.

5.3 Risks will be assessed with reference to Council's strategic priorities, taking into account the likelihood of the risk occurring, the potential impact and the range of implications it may have for Council.

5.4 Where an unacceptable risk is identified, relevant Council staff with management responsibilities

in areas that may be affected will be informed of it. Managers will be required to take action, as required, to address the matter and inform employees or other persons within their area of responsibility, about the matter.

- 5.5 The Council, through the Audit Panel will ensure that there is ongoing review of its risk management framework to ensure the continued sustainability and effectiveness of its Risk Management Policy.
- 5.6 Risk management assessment and activities will be included in the Annual Plan process.

GUIDELINES

- 6.1 The Risk Management Strategy will be implemented based on the following principles:
- creating and protecting Council's value;
 - as an integral part of Council processes;
 - as an integral part of decision making;
 - explicitly addressing uncertainty;
 - is systematic, structured and timely;
 - is based on the best available information;
 - is tailored and aligned with the organisation's external and internal control and risk factors;
 - takes human and cultural factors into account;
 - is transparent and inclusive;
 - is dynamic, iterative and responsive to change, and
 - facilitates continuous improvement.
- 6.2 Types of risks that need to be managed include:
- Safety / People;
 - Financial;
 - Legal and Compliance
 - Reputational;
 - Infrastructure / Assets;
 - Information Technology; and
 - Environmental.
- 6.3 Council will include through its risk register, a risk profile which examines the nature, likelihood and consequences of adverse events occurring, prioritising identified risks and implementing controls appropriate to ensure any risk is eliminated or minimised to an acceptable level.
- 6.4 The risk register will be updated on a regular basis.

COMMUNICATIONS

- 7.1 All Councillors and employees will be briefed on this policy as part of individual induction programs and on an on-going basis. Council will educate employees on good risk management practices.

LEGISLATION

- 8.1 The following legislation should be considered in conjunction with this policy:
- *Local Government Act 1993 (Tasmania)*

- *Work Health and Safety Act 2012 (Tasmania)*
- *ISO31000:2009 Risk Management Principles and Guidelines*
- *AS/NZS 4360:1999 Risk Management*

RELATED DOCUMENTS

- 9.1 Sorell Council Strategic Plan
- 9.2 Long Term Financial Management Plan
- 9.3 Individual Asset Management Plans
- 9.4 As specified in Risk Register

AUDIENCE

- 10.1 The policy is publicly accessible via Council's website.