

Risk Management Policy

CONTROL:

Policy Type:	Administrative
Authorised by:	Council
Head of Power:	<ul style="list-style-type: none">• Local Government Act 2009;• Local Government Regulation 2012.
Responsible Officer:	Chief Executive Officer
Adopted / Approved:	August 08 2024, Minute No. 2024.08.19-OM-16
Last Reviewed:	August 2024
Review:	<p>September 2026</p> <p>This Policy will be reviewed when any of the following evaluations occur:</p> <ol style="list-style-type: none">1. Audit reports relating to risk management activities being undertaken by Council indicate that a policy review from a legislative, compliance or governance perspective is justified;2. Relevant legislation, regulations, standards and policies are amended or replaced; or3. Other circumstances as determined from time to time by the Chief Executive officer or through a resolution of Council. <p>Notwithstanding the above, this policy including the Risk Management Framework and Strategic Risk Register will be reviewed at least annually by Council's Executive Management Team to ensure their effectiveness and continued application and relevance.</p>
Version	7

1. INTRODUCTION

1.1 PURPOSE:

The purpose of this policy is to provide and document a clear intent from Council regarding the management of risk in its decision making and operations, in accordance with governing legislation and its risk management framework.

1.2 POLICY OBJECTIVES:

The objective of this policy is to provide and document a clear intent from Council regarding the management of risk in its decision making and operations, in accordance with governing legislation and its risk management framework.

1.3 COMMENCEMENT OF POLICY:

This Policy will commence on adoption. It replaces all other specific Risk Management policies of Council (whether written or not).

1.4 SCOPE:

This policy applies to all elected representatives, employees, contractors and to any person or organisation which acts for or represents Council, and shall form part of the decision making processes at all levels of Council's operations.

2. POLICY

2.1 POLICY STATEMENT:

To achieve the creation and protection of value, Council will effectively manage risk in accordance with the following principles, as outlined in the ISO:31000 Risk Management Guidelines:

a) Integrated

Risk management is an integral part of Council activities.

b) Structured and Comprehensive

Council's approach to risk management is structured and comprehensive, such that it is able to contribute to consistent and comparable results.

c) Customized

Council's risk management framework and processes are customised and proportionate to the organisation's external and internal context, and related to its objectives.

d) Inclusive

Council's risk management process is inclusive and involves stakeholders in an appropriate and timely manner, such that their knowledge, views and perceptions can be considered and therefore contribute to improved awareness and informed risk management.

e) Dynamic

Council acknowledges and is aware that risks can emerge, change or disappear as its external and internal context changes. Council's risk management processes will

anticipate, detect, acknowledge and respond to those changes and events in an appropriate and timely manner.

f) Best Available Information

Council's risk management processes will be based upon the best available historical and current information, as well as future expectations.

g) Human and Cultural Factors

Council acknowledges and is aware that human behaviour and culture significantly influence all aspects of risk management at each level and stage.

h) Continual Improvement

Council acknowledges and is aware that risk management is continually improved through learning and experience.

2.2 POLICY IMPLEMENTATION

To achieve this, Council will develop, implement and maintain an enterprise risk management framework which encompasses the following elements to ensure effective risk management throughout the organisation:

Leadership and Commitment

Council will demonstrate leadership and commitment by:

- customizing and implementing all aspects of its risk management framework;
- issuing a policy that establishes Council's position and approach to risk management;
- ensuring that the necessary resources are allocated to managing risk; and
- assigning authority, responsibility and accountability at appropriate levels within the organization.

Integration

Council will manage risk throughout every part of its organisational structure and everyone at Council has responsibility for managing risk.

Design

Understanding the organisation and its context

Council's risk management framework will take into account the internal and external context within which Council operates and articulate its appetite and tolerance for risk based on its understanding of the holistic environment within which it operates.

Articulating risk management commitment

Council will articulate its commitment to risk management, in accordance with ISO:31000 Risk Management Guidelines, through its risk management policy.

Assigning organisational roles, authorities, responsibilities and accountabilities

Council's risk management framework will assign relevant authorities, responsibilities and accountabilities respective to risk management.

Allocating Resources

Council will ensure allocation of appropriate resources for risk management and continually consider the capabilities of, and constraints on, existing resources.

Establishing communication and consultation

Council's risk management framework will include an approved approach to communication and consultation for the facilitation of effective risk management.

Implementation

Council will implement its risk management framework through:

- developing appropriate plans, which include allocation of time and resources;
- identifying where, when and how different types of decisions are made across the organization, and by whom;
- modifying the applicable decision-making processes where necessary;
- ensuring that the organization's arrangements for managing risk are clearly understood and practised.

Evaluation

Council will evaluate the effectiveness of its risk management framework by:

- periodically measuring risk management framework performance against its purpose, implementation plans, indicators and expected behaviour;
- determining whether it remains suitable to support achieving the objectives of the organization.

Improvement

Adapting

Council will continually monitor and adapt its risk management framework to address changes to the internal and external environment within which it operates.

Continually Improving

Council will continually improve the suitability, adequacy and effectiveness of its risk management framework and the way in which the risk management process is integrated with the activities and functions of the local government.

3. REFERENCE AND SUPPORTING INFORMATION

3.1 AUTHORITIES AND ACCOUNTABILITIES

Role	Responsibilities
Council	<ul style="list-style-type: none">• Adopt and review the organisation's Risk Management Policy and Framework;• Determine Council's appetite and tolerance for risk;• Ensure that risks are identified, managed and controlled appropriately to achieve Council's strategic objectives, as outlined in its Corporate Plan;• Monitor risks in accordance with Council's Risk Management Framework;• Provide adequate budgetary provision for the financing and resourcing of risk management, including approved risk mitigation strategies;• Promote and encourage effective implementation of the Risk Management Framework where appropriate; and• Making decisions in the public interest which consider advice relating to risk management.
Chief Executive Officer	<ul style="list-style-type: none">• Own, promote and drive the effective implementation of the Risk Management Framework for all functions across Council operations.• Ensure that risks are identified, managed and controlled appropriately to sustain and enhance Council's operations;• Monitor and report on risks or risk treatments in accordance with Council's Risk Management Framework;• Drive consistent embedding of a risk management culture by encouraging openness and honesty in the reporting and escalation of risks;• Ensure adequate resources are appropriately allocated throughout the organisation to meet the Council's risk management requirements; and• Ensure Council is presented with an analysis of risks relevant to matters being reported for decision and recommendations which are in accordance with Council's determined risk appetite and tolerance.
Executive Management Team	<ul style="list-style-type: none">• Support the CEO in promoting and driving the effective implementation of the Risk Management Framework for all functions across Council operations;• Ensure that risks are identified, managed and controlled appropriately within their Directorate or team(s) to sustain and enhance Council's operations;• Monitor and report on risks or risk treatments in accordance with Council's Risk Management Framework;• Drive consistent embedding of a risk management culture by encouraging openness and honesty in the reporting and escalation of risks; and

Role	Responsibilities
	<ul style="list-style-type: none"> • Ensure adequate resources are appropriately allocated throughout their Directorate or team(s) to meet the Council's risk management requirements.
Governance	<ul style="list-style-type: none"> • Foster, cultivate and promote a risk management culture across the organisation; • Promote and develop the Risk Management Framework, policy and associated tools and resources; • Provide advice and guidance relating to risk exposures and suggested treatments; • Coordinate and monitor Council's risk management processes; • Provide training and education on risk management as required; • Review Council's risk culture to measure whether it is capable of facilitating open and objective risk management dialogue; and • Provide high quality internal customer service to support implementation of this framework.
Project Managers	<ul style="list-style-type: none"> • Ensure that risks are identified, managed and controlled appropriately throughout the lifecycle of the project; • Ensure adequate resources are appropriately allocated to manage project risks; • Monitor and report on risks or risk treatments in accordance with Council's Risk Management Framework; • Undertake risk management plans for all proposed projects in consultation with the relevant stakeholders; and • Where applicable ensure design and construction includes agreed features to minimise future risk.
All Staff	<ul style="list-style-type: none"> • Comply with Council's Risk Management Policy and Framework; • Positively contributing to Council's risk management culture; • Perform duties in a manner which is within an acceptable level of risk, as determined by Council's Risk Management Framework; • Support the integration of risk management into all aspects of their activities and functions; • Undertake and participate in risk management training as required; • Make risk control and prevention a priority when undertaking tasks; • Ensure that risks are identified, managed and controlled appropriately within their role; and • Monitor and report on risks or risk treatments in accordance with Council's Risk Management Framework.
Human Resources	<ul style="list-style-type: none"> • Ensure risk management is included as part of induction training to new Council employees; and

Role	Responsibilities
	<ul style="list-style-type: none"> Ensure all position descriptions include any responsibilities the role may have with regards to risk management in accordance with Council's Risk Management Framework.

3.2 DEFINITIONS:

To assist in interpretation, the following definitions shall apply:

Word / Term	Definition
Council	Means Diamantina Shire Council.
Risk	The effect of uncertainty on objectives. An effect is a deviation from the expected. It can be positive, negative or both and can address, create or result in opportunities and threats.
Risk Management	The coordination of activities to direct and control an organisation with regard to risk. Risk management for Council refers to the culture, processes and structures developed to effectively manage potential opportunities and adverse effects for any activity, function or process undertaken by Council. Managing risk is achieved through the systematic application of policies, procedures and practices to identify, analyse, evaluate, treat, monitor and communicate risk.
Enterprise Risk Management (ERM)	Refers to the coordination and integration of risk management across all of Council's business functions and activities. ERM allows for a consistent approach to be applied to risk assessment, rating and treatment and provides for a consistent escalation plan for risks with certain risk ratings.

3.3 RELATED POLICIES, LEGISLATION AND DOCUMENTS:

Links to supporting documentation
Enterprise risk management framework
Local Government Act 2009
Local Government Regulation 2012
Workplace Health and Safety Act 2011
ISO 31000:2018 Risk management - Guidelines

3.4 VERSION CONTROL:

Previous Version Number	Adopted/Approved Date

1	Minute No. 2017.04.24-OM-13
2	July 16 2018; Minute No. 2018.07.16-OM-7
3	June 24 2019;Minute No. 2019.06.24-OM-15
4	July 2020
5	August 16 2021; Minute No. 2021.08.16-OM-11
6	September 19 2022; Minute No. 2022.09.19-OM-14