

# Council Policy

<b>Council policy title:</b>	<b>Risk Management Policy</b>
<b>Council policy ref no:</b>	DOC/18/128063
<b>Council policy owner:</b>	Director Corporate Services
<b>Adopted by:</b>	Bayside City Council
<b>Date adopted:</b>	June 2018
<b>Scheduled review:</b>	June 2020

## 1. Policy intent

To ensure Council is able to deliver on its obligations and strategic objectives by effectively managing the risks inherent in all Council activities.

To establish an organisational culture where risk management is an integral part of management practice and is embedded in all activities and business processes.

To build commitment to continuous improvement in risk management performance.

## 2. Purpose/Objective

To align Council's approach to risk management to the AS/NZS ISO 31000: 2018 Risk Management – Guidelines Standard as follows;

- Ensuring the establishment of an appropriate risk management framework;
- Defining and clarifying Council's risk appetite and ensuring the alignment of risk management processes and procedures;
- Defining responsibility for managing risk;
- Embedding systematic, enterprise-wide risk management into business processes to ensure resources are applied effectively to prioritise and mitigate risk exposures in a coordinated manner, and to gain the benefits of identified opportunities;
- Identifying, understanding and managing those risks that may be shared across Council jurisdictional boundaries with the community and interest groups, other agencies and Councils, and the commercial business sector;
- Communicating and consulting about risk to ensure Council and management staff are in a position to make informed decisions using identification, analysis and assessment to determine alternative courses of action;
- Maintaining risk management capability to ensure all Council management obligations, assets, property and services are safeguarded;
- Reviewing and continuously improving the overall management of risk; and
- Developing a positive risk culture throughout the organisation.

## 3. Scope

This policy covers all areas of Council and is applicable to all employees, contractors, volunteers and councillors.

Consideration of risks must occur at all levels of operation, in planning, service delivery, project management and is integral to both long term strategy planning and day to day operations.

#### **4. Roles & Responsibilities**

Council will adopt a Risk Management Policy in accordance with appropriate standards, review reports from the Audit and Risk Committee and on a 6 monthly basis receive reports on strategic risk.

The CEO has overall guiding responsibility for risk management policy, communication and embedding of risk management principles into strategic and operational planning and performance management practices.

The Director Corporate Services and Manager Commercial Services are responsible for ensuring ongoing review and implementation of the risk management policy, strategy and procedures.

The Risk Management and Safety Coordinator is responsible for the facilitation of the risk management policy, strategy, and practices including training and awareness of staff with respect to risk management principles and organisational approach.

The Executive Team will create and sustain a high level of risk management performance for the organisation through providing strategic direction, building capacity and leading change through innovation. The Executive Team will work collaboratively and support each other in striving to assist individuals and the organisation to deliver a strong culture of risk management in making Bayside a Better Place.

The Director Corporate Services will champion risk management issues in Executive discussion.

Directors and Executive Managers are responsible for driving risk management accountability and culture in their areas of responsibility and ensuring that all foreseeable risks are identified and effectively managed. They are responsible to ensure appropriate data for effective monitoring and control of risks is available from their areas of responsibility to monitor risk management performance.

The Audit and Risk Committee will provide governance oversight for the management of risk in accordance with the Audit and Risk Committee Charter.

Each manager is accountable for implementing the risk management practices in his or her area of responsibility. This includes ensuring that risks are identified, managed, reviewed and monitored effectively.

It is the responsibility of all Council employees, contractors, volunteers and representatives to properly apply Council's risk management processes and procedures and to support the identification and improvement of risk management within the organisation.

Risk management accountabilities are included in position descriptions, performance planning and business planning documentation.

#### **5. Monitoring, evaluation & review**

The effectiveness of Council Risk Management Policy and Framework will be assessed through:

- Regular reporting to ET on the status of strategic risks, emerging risks, changes to the risk profile and status of any action plans associated with improving risk management practices.
- Reporting to the Audit and Risk Committee.
- Annual review of the risk framework to be completed by ET.
- Annual review of strategic risks to be completed by ET.

- 6 monthly reporting to Council on strategic risk
- Consideration annually of any changes required to the Policy, Strategy and Risk Assessment Procedure to be facilitated by Director Corporate Services.

## 6. Policy statement

Risk is inherent to Council's many administrative and operational activities and that its effective management underpins Council's continued growth and success.

By effectively managing risk, Council aims to increase the certainty of both desired business outcomes and the fulfilment of its obligations to its stakeholders who include employees, clients, the community and government.

Council will continue to foster an organisational culture that supports processes and structures that will effectively manage the uncertainty of risk whilst maximising opportunities within its operating environment.

Risk management is essential for sound strategic, financial and operational planning to ensure that risks are identified and their potential adverse impacts mitigated as far as reasonably practicable to better realise sustainable outcomes.

The effective management of risk includes a process of continuous improvement that requires regular review and ongoing evaluation.

Council will:

- create and maintain a risk management environment that enables Council to deliver high quality services and meet performance objectives;
- promote and support risk management practices and encourage and empower its staff in managing risk;
- protect as far as is reasonably practicable, the organisation and its employees, contractors, assets and the community against reasonably foreseeable risks;
- integrate risk management with existing planning and operational processes in line with Council's business planning and reporting framework;
- monitor the risk management practices of the organisation to ensure continued effectiveness, consistency and efficiency;
- review, evaluate and amend controls to mitigate risks and build organisational capacity to leverage newly identified opportunities
- continuously improve its practices to benefit the community and minimise costs associated with risk whilst ensuring compliance is maintained.
- utilise risk management as a critical part of project and contract management;
- ensure compliance with legislative requirements and current industry standards;
- demonstrate transparent and responsible risk management processes that align with best practice;
- demonstrate the risk management process of identifying, analysing, evaluating and treating risks, as outlined in the Risk Management Standard, AS/NZS ISO 31000:2009 as a guide to establish an integrated and systematic approach for managing risk within Council.

## 7. Related documents

<b>Policies</b>	Fraud Policy; Business Continuity Policy; Motor Vehicle Policy, OH&S Policy, Audit and Risk Committee Charter
<b>Procedures</b>	Risk Assessment Procedure
<b>Guidelines and Standards</b>	AS/NZS ISO 31000: 2018 Risk Management - Guidelines

## 8. Definitions & Abbreviations

<b>Term</b>	<b>Meaning</b>
Risk	The effect of uncertainty on objectives *effect can be positive or negative, *uncertainty exists whenever the knowledge or understanding of an event, consequence, or likelihood is inadequate or incomplete *objectives have different aspects (eg financial, safety, reputation) and apply at all levels from strategic to project and process
Strategic Risk	Potential to materially affect the ability of Council to deliver on strategic objectives
Strategic Objectives	The key outcomes needed to achieve Council vision
Risk Management	The culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects (AS/NZS ISO31000: 2018).
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk appetite	The amount and type of risk that an organisation is willing to pursue or retain

**Please note:** This policy is current as at the date of approval. Refer to Council's website ([www.bayside.vic.gov.au](http://www.bayside.vic.gov.au)) or staff intranet to ensure this is the latest version.