

POLICY LOCATION	Corporate and Organisational Performance	POLICY TITLE	Risk Management
POLICY NUMBER	CA15	DATE ADOPTED	9 Nov 2022
REVISION NUMBER	5	REVISION DATE	Nov 2026

Purpose

The purpose of this Policy is to clearly document the Buloke Shire Council’s (Council) commitment to risk management principles and practices. The Council acknowledges risk management is essential for sound strategic, financial, and operational planning and the achievement of the Council’s objectives.

Risks are an everyday occurrence that potentially impact on the Council’s ability to meet its objectives to internal and external stakeholders, residents, and the community.

The Council recognises that while many risks cannot be eliminated, they can be identified, prioritised, controlled, and managed. It requires a balance between the cost and effort of managing and treating the risks and the anticipated benefits that will be derived.

In meeting its objectives, the Council thus recognises that risk management activities should not be separate from the main activities and processes of the organisation - effective risk management is an essential element in the framework of good corporate governance and is an integral part of good decision making and management practice.

The Council is thus committed to establishing and promoting an organisational culture that implements effective risk management practices within all activities and business processes, to prevent adverse incidents and advance the Council’s objectives. The Council will ensure that, as far as is reasonably practicable, the organisation’s operations do not expose people, property, or the environment to unacceptable levels of risk or harm.

Economic prosperity, financial sustainability, environmental quality, and social equity are treated as core considerations in managing risks, encompassing both disadvantageous effects and opportunities for improvement.

The Australian Standard AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines (the Australian Standard) will guide the approach for managing risk within the Council.

The above approach supports sustainability objectives and protects the Council’s assets - infrastructure, environment, people, finances, and reputation. In addition, it ensures the sustainable delivery of services and amenities to ratepayers, residents, and visitors.

Scope

The Council requires the development and provision of an effective risk management framework and process to mitigate risks to the Council and to capitalise on sustainable opportunities present in the Council's operations.

This Policy is applicable to all Council staff and contractors across all services and departments of the organisation and encompasses risk management principles pertaining to all classes of risk.

The intent of this Policy is to provide support and guidance for all departments to implement the risk management framework in a practical way into business processes and functions, to ensure an effective process for the identification, analysis and management of enterprise and operational risks.

Definitions

In this Policy the following definitions apply:

"Inherent Risk" represents the amount of risks which exists in the absence of controls.

"Operational Risks" are risks which could impact on the organisation's effectiveness and efficiency.

"Risk" is the effect (both positive and negative) of uncertainty on objectives.

"Risk Identification" is the process of finding, recognising, and describing risks.

"Risk Management" refers to the principles, framework, and processes in place for managing risk effectively.

"Risk Management Framework" is the set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management within Council.

"Risk Management Process" refers to the systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying and analysing, evaluating, treating, monitoring, and reviewing risk.

"Risk Treatment" is the process of modifying risk.

"Strategic Risk" are risks which could affect the achievement of the Council's vision and strategic objectives.

Policy Statement

The Council is actively committed to:

- Applying sound risk management principles and practices, including identifying, prioritising, and managing risks in a coordinated manner
- Improving strategic planning processes as a result of structured consideration of risk
- Protecting the organisation, its employees, contractors, community, assets and the environment against reasonably foreseeable loss and injury

- Providing assistance to improve the quality of decision-making throughout the Council, including ensuring that all employees have the necessary risk management training and skills to undertake effective risk management on a consistent basis across Council
- Preventing and minimising exposure to risk and adverse impact on the Council's operations
- Facilitating continual improvements in Council's risk management maturity, and
- Ensuring the inputs to risk management are based on the best available information and are timely, clear, and available to relevant stakeholders.

The Council recognises that risk management is essential for sound strategic and financial planning. The following objectives are fundamental to Council's ability to create a positive, viable future:

- Ensuring compliance with legislative requirements and current industry standards
- Identifying and analysing the Council's liability associated with risk exposure
- Selecting the most advantageous method for minimising the Council's exposure to injury, loss, or damage
- Protecting employees, contractors, visitors, and the community against personal, physical, and financial losses that are within the control of the Council
- Protecting the Council's corporate image as a professional, responsible, and ethical organisation
- Promoting and supporting risk management practices and encourage and empower staff in managing risk by educating employees about good risk management practices
- Facilitating accountability for risk management, recognising that risk management is the responsibility of all employees
- Monitoring risk management practices of the Council to ensure continued effectiveness, consistency, and efficiency and to provide an audit trail
- Promoting and supporting risk management practices throughout the Council
- Utilising risk management as an essential part of project management, and
- Demonstrating responsible risk management processes that align with best practice and the identification, analysis, evaluation, and treatment of risks as detailed in the Australian Standard.

In particular, the Council recognises that to achieve the objectives and capitalise on opportunities as contained in the Long-Term Community Vision and Council Plan 2021-25, it will need to accept some level of well managed inherent risk in the following activities:

- Engagement with communities to identify and meet their needs
- Supporting and enhancing the local economy
- Working with our partners and communities to enhance and protect our natural environment, and
- Influencing governments to improve liveability for rural communities.

Council has a low tolerance for risks which foreseeably may:

- Compromise its ability to deliver its services in a financially sustainable way or
- Constitute a breach of its legislative requirements or

- Compromise the health and safety of staff, members of the public or any third party.

Measuring performance is a key monitoring activity to assess how effective this Policy, the Risk Management Framework and reporting supports the Council's strategic objectives. The Council's risk management performance indicators include:

- The number of internal audits completed per annum
- The number of internal audit findings accepted by management
- The timeliness of remediating internal audit findings
- Progress against, and deviation from, the risk management plan or treatment plans
- The reduction in the number of extreme and high risks in the Council's risk registers
- The review of the effectiveness of the Risk Management Framework and reporting.

Guidelines

1. The Council is responsible for determining and adopting its risk appetite in accordance with this Policy, including through consideration of the requirement for the Council to give effect to the overarching governance principles in the performance of its role in accordance with section 9 of the *Local Government Act 2020*.
2. All employees are responsible for effective risk management practices and ensuring the management of existing risks and identification of new or emerging risks is integrated into Council activities. This extends to recommending suitable plans to manage risks and obtaining appropriate approval prior to action and sharing and communicating information.
3. Each Director and Manager is accountable for implementing this Policy in their department and for the implementation of risk management practices within their areas of responsibility. They are responsible for reviewing and updating any allocated risks and for ensuring appropriate resources are made available and effective monitoring, review and reporting is undertaken.
4. Each Councillor and member of staff is accountable for compliance with the conflict of interest provisions as contained within the Councillor Code of Conduct and Staff Code of Conduct, respectively.
5. The Director Corporate and Organisational Performance is responsible for overseeing the development, facilitation and implementation of a risk management culture, framework, and strategic direction across the Council.
6. The Chief Executive Officer is the Senior Executive responsible for establishing and facilitating a risk management process across the Council.
7. Council is responsible for ensuring adequate resourcing is available for the continued development, implementation and maintenance of risk management programs and activities.
8. Council is responsible for ensuring that Council strategy and operations are managed within an effective risk management framework.

9. The Audit and Risk Committee is responsible for the monitoring and provision of oversight on risk management and fraud prevention systems and controls.
10. The Council will:
 - Maintain high standards for services provided
 - Adopt a strategic framework which allows for impacts on natural, social, and economic capital to be appropriately considered, thereby supporting sustainability and safeguarding Council's assets, namely people, finances, property, and reputation
 - Create an environment that enables Council to deliver services and meet performance objectives in line with our best value principles
 - Ensure resources and operational capabilities are identified and deployed responsibly and effectively, and
 - Demonstrate transparent and responsible risk management processes which align with best practice, including commitment to the development of relevant key performance measures for risk management.

References

- *Local Government Act 2020*
- AS/NZS ISO 31000:2018 Risk Management – Guidelines
- Risk Register
- Long-Term Community Vision and Council Plan 2021-25
- Buloke Shire Council Risk Management Framework
- Buloke Shire Council Risk Management Strategy
- Buloke Shire Council Councillor Code of Conduct
- Buloke Shire Council Staff Code of Conduct