

# Moira Shire Council

## Risk Management Policy

<b>Policy type</b>	Council
<b>Version Number</b>	8
<b>Responsible Director</b>	Corporate Performance
<b>Responsible Officer</b>	Manager Governance, Risk and Performance
<b>Date adopted by Council</b>	24 July 2024
<b>Scheduled for review</b>	This policy will be reviewed four years from the date of adoption, or sooner if required.

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Administrative changes do not materially alter the document (such as spelling/typographical errors, change to the name of a Council department, a change to the name of a Federal or State Government department). Administrative updates can be made in accordance with the Policy Framework Guidelines.

## PURPOSE

The purpose of this policy is to define Moira Shire Council's commitment to risk management, and the proactive management of the Strategic, Operational and Project Risks that have an impact on the achievement of Council's objectives. Proactive risk management supports the protection of community, employees, business assets, service delivery, environment and financial sustainability.

## SCOPE

This policy applies to all service and functional areas. Risk management is not a stand-alone function separate from the main activities and processes of the organisation. It is an integral part of all organisational processes, including strategic planning, project and change management process.

## DEFINITIONS

<b>Term</b>	<b>Definition</b>
Council	Moira Shire Council.
Control	Measure that maintains and/or modifies risk.
Emerging Risk	Emerging risks are those risks that are newly developing or evolving and therefore are difficult to identify and/or evaluate.
Event	Occurrence or change in a particular set of circumstances.
Risk	The effect of uncertainty on objectives. It is characterised by a reference to the likelihood and consequences of a potential event.
Risk Appetite	The risk appetite of council is determined by the types and amount of risk that it is willing to accept.
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework	A formal, structured approach to risk management.
Operational Risk	Events/incidents that impact the delivery or services or programs by a department in the internal operating environment.
Project Risk	Events/incidents that impact individual projects or programs of work.
Strategic Risk	Events/incidents that are those risks that can cause a shift in Council's strategic objectives.

## POLICY CONTEXT

This policy provides the overarching principles for Council's Risk Management Framework which includes:

- Risk Appetite Statement.
- Risk Management Plan.
- Audit and Risk Committee.
- Supporting documents and policies that complement risk management including fraud prevention, business continuity management, project management, occupational health and safety and codes of conduct.

The Framework will enable:

- A formal, structured approach to risk management that is appropriate to the organisation's activities and operating environment;

- A risk management approach consistent with the principles of AS ISO31000:2018 Risk Management – Guidelines; and
- Continuous evaluation and improvement of managing risks.

## POLICY STATEMENT

Council is committed to managing risks to maximise opportunities and minimise adverse outcomes in all activities and processes of the organisation. In doing this, Council will:

- Consider risks associated with all activities and planning processes in accordance with the Council's endorsed risk appetite and tolerance levels.
- Ensure the criteria to be used for risk and control assessments are those detailed in the Risk Management Plan.
- Ensure accountability for activities within Council's Risk Management Plan is allocated to those with the levels of authority necessary for decision making.
- Develop and maintain a Strategic and Operational Risk Register.
- Ensure all employees with roles and responsibilities within the Risk Management Framework receive appropriate training.
- Ensure those allocated responsibility for managing risks or being accountable for critical controls, establish and maintain appropriate monitoring and reporting mechanisms.
- Undertake reporting on risks in accordance with the Risk Management Plan.
- Ensure all adjustments to the Risk Register, including addition of risks, removal of risks and/or changes to risk level are undertaken in accordance with the Risk Management Plan.

## ROLES AND RESPONSIBILITIES

The following is a broad overview of the roles and responsibilities as they relate to this policy. The full list of roles and responsibilities relating to the management of risks are detailed within Council's Risk Management Plan.

<b>Council</b>	<ul style="list-style-type: none"> <li>• Reviews and adopts the Risk Management Policy and Risk Management Plan.</li> <li>• Defines Council's risk appetite.</li> <li>• Applies risk management principles to the decision-making process.</li> </ul>
<b>Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>• Promotes a strong risk management culture.</li> <li>• Ensures a Risk Management Policy and Framework is in operation.</li> </ul>
<b>Audit and Risk Committee</b>	<ul style="list-style-type: none"> <li>• Monitors implementation and effectiveness of the Risk Management Framework through regular reviews and reporting.</li> </ul>
<b>Governance and Risk Coordinator</b>	<ul style="list-style-type: none"> <li>• Coordinates the review of the Risk Management Framework.</li> <li>• Provides risk related support and advice to the organisation.</li> </ul>
<b>All other staff</b>	<ul style="list-style-type: none"> <li>• Understand the Risk Management Framework and any role they may have as a Risk or Control owner.</li> </ul>

## PERFORMANCE MEASURES

The measurement of risk management performance within Council will involve two distinct activities:

- **Maturity** – This measures the maturity of the Risk Management Plan within Council against industry best practice.

- **Compliance** - This provides assurance that Council is complying with the Risk Management Framework.

The full detail of the performance measures is detailed in Council's Risk Management Plan.

## MONITORING AND EVALUATION

Through its regular reporting mechanisms as detailed in Council's Risk Management Plan, Council will ensure that:

- Treatment plans are meeting milestones and are effective.
- Risk levels remain relevant.
- Controls continue to operate effectively.
- New emerging risks are recorded.
- Risk information is up to date.
- The monitoring components are essential to sound governance and are applied systematically to strategic, operational and project level risk.

## RELATED POLICIES AND PROCEDURES

*Risk Appetite Statement*

*Risk Management Plan*

*Fraud Prevention and Control Policy*

*Business Continuity Plan*

*Project Management Framework*

## RELATED LEGISLATION

*Local Government Act 2020*

*Charter of Human Rights & Responsibilities Act 2006*

*ISO 31000 Risk Management*

## DOCUMENT REVISIONS

<b>Version</b>	<b>Summary of Changes</b>	<b>Approved by</b>	<b>Date</b>
1	Original policy adopted	Council	16/06/2003
2	Policy reviewed	Council	19/09/2005
3	Policy reviewed	Council	31/08/2007
4	Policy reviewed	Council	15/02/2012
5	Policy reviewed	Council	20/02/2012
6	Policy reviewed	Council	18/09/2016
7	Policy reviewed	Council	23/10/2019
8	Policy rewritten	Council	24/07/2024