


# Hay Shire Council Policy



<b>Title of Policy</b>	Risk Management Policy		
<b>This applies to</b>	All of Council		
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<b>Position of Author</b>	General Manager	<b>Authorised by:</b>	Council
<b>Legislation, Australian Standards, Code of Practice.</b>	AS/NZS 31000 - 2018		
<b>Related Policies/Procedures</b>			
<b>Attachments</b>			
<b>Aim</b>	To reduce Council’s exposure to risk		
<b>Version</b>	<b>Details</b>	<b>Date</b>	
1	New Policy	Dec 2013	
2	Review	29 <sup>th</sup> April 2014	
3	Review	8 <sup>th</sup> October 2019	
4	Review	27 <sup>th</sup> July 2021	
<b>Superseded Policies</b>	N/A		
<b>The Policy</b>			

## 1. Introduction

This Policy has been formulated having regard to “AS/NZ ISO 31000:2018 Risk management - Principles and guidelines”. The International Standard acknowledges that, while it provides generic guidelines, it is not intended to promote uniformity of risk management across organisations and that the design and implementation of risk management frameworks need to take into account, and be tailored to, the varying objectives, functions and operations of specific organisations.

## 2. Definitions

- “Risk” – the effect of uncertainty on objectives.
- “Risk management” – the co-ordinated activities to direct and control an organisation with regard to risk.
- “Event” – the occurrence or change of a particular set of circumstances.
- “Likelihood” – the chance of something happening.
- “Consequence” – the outcome of an event.

## 3. Risk Management Rationale and Policy Principles

The Council recognises that while some risks encourage innovation and better performance, uncontrolled risks can lead to adverse exposure or loss, thus preventing the Council from effectively and efficiently meeting its goals.

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The guiding principles of our system are that:

- Risk management will be embedded into daily corporate governance, planning, financial, insurance, administration, industrial, operational, project management, asset management and procurement functions.
- Risk management will be part of strategic, operational and business planning activities.
- Risks will be reviewed against the Enterprise Risk Management framework to capture, monitor and report risk management and governance processes.
- Have a process in place which allows the escalation and reporting of risk to the Enterprise Risk Management Committee and Audit Risk and Improvement Committee.
- Risk management shall ensure all reasonably foreseeable risks are systematically identified, assessed, analysed, prioritised and eliminated or controlled in a manner which is reasonably practicable.
- Risk is considered to be dynamic, requiring attention and the risk owners prompt response to change.
- Have up to date risk registers to continually improve operational and strategic risk management activities.

#### 4. Responsibility

The risk management framework to be effective needs to ensure that there is accountability and authority for implementing and maintaining the risk management process. The allocation of roles and responsibilities for the risk management process in the organisation are outlined below.

- Council – as ‘ top management’ is accountable for risk management and endorses the risk management policy, allocates appropriate resources for risk management, reviews Risk Register and risk assessments prepared by management and determines risk appetite.
- Audit, Risk and Improvement Committee – overseeing the risk management program and the internal reporting process in particular. Consider internal audit reviews and recommendations.
- General Manager – implement and maintain the risk management framework endorsed by the Council, including ensuring that risk management is integrated into all organisational activities, demonstrates leadership and commitment to risk management.
- Management and staff – prepare risk assessments as well as the development and implementation of risk mitigation activities.
- All employees are to be actively involved in the identification assessment and management of Risk to the best of their ability. They are required to communicate to their supervisor any identified Risk associated with faults or errors in Hay Shire Council’s assets (owned and/or controlled), activities, procedures or policies as well as any non-compliance with Hay Shire Council controls or requirements that are likely to expose Hay Shire Council to Risk.
- Internal Auditor – independent review of risk management framework, individual risk assessments and effectiveness of mitigation measures
- Council has an Enterprise Risk Management Committee whose role is to:
  - Endeavour to provide a safe environment for residents, visitors and employee’s
  - Proactively manage Hay Shire Council risks
  - Establish the future direction of risk management programmes.
  - Provide support and advice to Council and ARIC
  - Work with other risk stakeholders
  - Continuously improve the risk knowledge base within the organisation.

## 5. Risk Management Strategies

The development and implementation of risk management strategies is a Hay Shire Council priority that will occur under the guidance of the General Manager and the Enterprise Risk Management Committee. Consultation with employees, management and stakeholders will be an integral part of the development and implementation process.

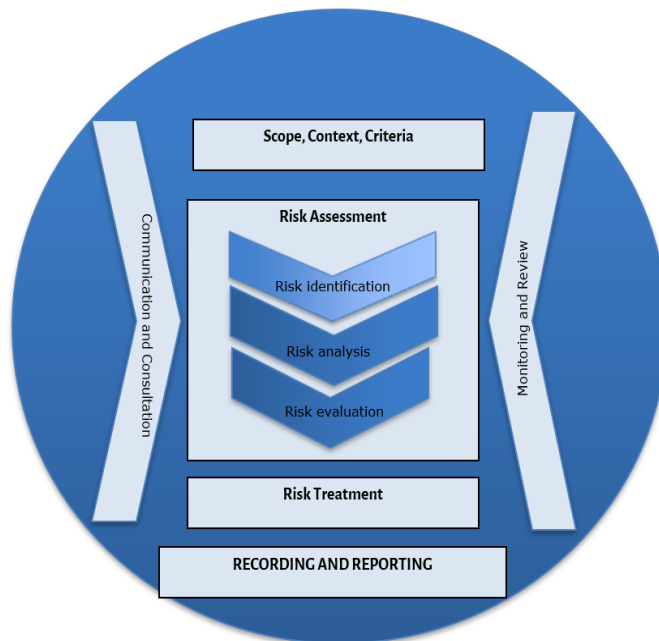
To assist in the management, identification and control of risk, the Best Practice Manuals prepared by Statewide Mutual will be adopted and implemented. The Best Practice Manuals are prepared in a format that follows the Risk Management Standard AS/NZ 31000 - 2018. To meet this requirement, risk management is recognised as every employee's responsibility and sound risk management principles and practices must become part of the routine management strategies adopted by all staff.

Accountability for the management of risk, at both management and employee level, should be reflected in performance plans, job descriptions and key performance indicators.

The management of risk will be integrated into Hay Shire Council's existing planning and operational processes and will be recognised in the funding and review reporting mechanisms, on the basis of the evaluation of the level of risk and Hay Shire Council's exposure.

## 6. Risk Management Process

Council will apply risk management practices in a preventative manner rather than a reactive manner. Council is committed to the continual improvement of a strategic, value-based approach to risk management embedded into everything we do. This approach shall be underpinned by a risk aware culture which provides positive returns and allows Council to continually mature its risk management performance. The following table from ISO 31000:2018 outlines Council's risk management process.



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## 7. Organisation Wide Review of Risk

It is important that periodically an organisation wide review of risk is undertaken to provide assurance that all key risks have been identified. Such a review will assist in identifying emerging risks particular if there are changes to the Council's operating environment.

An organisation wide review should be undertaken at least every three years or whenever Council embarks on the delivery of a new service not previously provided or there is a significant change to the Council's role or operating environment.

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