



HOPEVALE ABORIGINAL SHIRE COUNCIL

Risk Management Policy

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Version History

Version Number	Date	Signature	Reason / Comments
1	9 December 2015		Council Resolution
2	21 February 2018		Council Resolution
3	20 March 2019		Council Resolution
4	20 April 2022		Council Resolution

AUTHORITY

Local Government Act 2009
Local Government Regulation 2012

SCOPE

This policy applies to all Councillors and employees of the Hope Vale Aboriginal Shire Council who are involved in the identification and management of all risks associated with the performance of Council functions and delivery of Council services. It forms part of Council's governance framework and is applies to all employees, contractors and volunteers.

PURPOSE

The purpose of the risk management policy is to provide guidance regarding the management of risk to support the achievement of corporate objectives, protect staff and business assets and ensure financial sustainability.

OBJECTIVES

The objectives of this policy are:

- Align Council activities to and support business objectives identified in Council's corporate and operational plans;
- Maintain and improve reliability and quality of service provided by Hope Vale Aboriginal Shire Council;
- Minimise and eliminate adverse impacts from Council's services or infrastructure on the community, visitors and the environment;
- Capitalise on opportunities identified in the Corporate Plan for Hope Vale Aboriginal Shire Council;
- Safeguard Council's employees, contractors, volunteers, assets, financial sustainability, property, reputation and information;
- Promote risk management principles as a strategic tool to ensure better informed decision making throughout Council; and
- Create a culture of risk management across the Council.

POLICY STATEMENT

Hope Vale Aboriginal Shire Council recognizes that as a public authority it is exposed to a broad range of risks which, if not managed, could adversely impact on the organisation achieving its strategic objectives. Therefore, Council will implement a systematic risk management methodology to identify and address, where practical, areas of potential risk within Council. Any methodologies adopted will be consistent with appropriate Risk Management Standards.

The intent of this policy is to create an environment where Council, management and employees assume responsibility for risk management through consistent risk management practices.

PRINCIPLES

The following principles will be adopted to ensure that the objectives are achieved:

- Prioritise identified risks and implement treatments progressively based on the level of risk assessed and the effectiveness of the current treatments;
- Ensure risk management is factored into business planning, performance management, audit and assurance, business continuity management and project management. Integrate risk management with existing planning and operational processes, including the Corporate Plan;
- Consider relevant legislative requirements and political, social and economic environments in managing risks;
- Create a culture of risk awareness throughout the organisation through training, induction, promotion and risk review and reporting mechanisms; and
- Ensure resources and operational capabilities are identified and responsibility for managing risk is allocated.
- Risk categories may include financial and economic, environmental, workplace health and safety, human resources, information technology, strategic and corporate governance, asset and property infrastructure and operational business continuity.

RISK APPETITE

Council's risk appetite is conservative whilst permitting effective and efficient operations.

Council manages interrelated categories of risk and accepts a low and moderate level of risk delivering on organisational values of accountability, community, harmony, innovation, ethical conduct, vision and excellence.

It is the responsibility of councillors, the senior management team and employees to identify and manage low and moderate risks as part of day to day operations. High and extreme risks will be identified and managed by the responsible employee and subsequently monitored by the senior management team and the audit committee.

Council will act in accordance with this risk appetite statement to achieve operational and strategic objectives.

The Operational Risk Management Committee will review on a quarterly basis the identification of risks and the implementation of suitable controls.

DEFINITIONS

Risk

Risk is defined by the Australian Standard for Risk Management as "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. Objectives can have different aspects and categories and can be applied at different levels. Risk is usually expressed in terms of *risk sources*, potential *events*, their *consequences* and their *likelihood*.

Risk Management

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 the 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

Enterprise risk management encompasses all the major risk categories (including financial and economic, environmental, workplace health and safety, human resources, information technology, strategic and corporate governance, asset and property infrastructure and operational business continuity) and includes the coordination, integration, consolidation and consistency of reporting by the various Council business functions and activities with identified risks.

Risk Register

A list of identified and assessed risks directly related to either a particular department of council, a project, or to the whole of Council. Risk Registers can either be Corporate, Operational, or project based.

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ROLES AND RESPONSIBILITIES

Council

Council is responsible for the adoption of this policy and ensuring sufficient resources are applied to managing the risks identified.

Chief Executive Officer

Council's Chief Executive Officer is accountable for the development of the policy, identifying, evaluating and managing risk in accordance with this policy through a formal enterprise wide risk management framework. Formal risk assessments, oversight and review of risk management must be performed at least once per year as part of the business planning. The Chief Executive Officer has the responsibility to drive the culture of risk management and signs off on annual risk attestation whilst continuously improving risk management policy, strategy and supporting framework.

The Chief Executive Officer will report to Council and the Audit Committee at each meeting on the progress made in implementing a sound system of risk management and internal compliance and control across Council's operations.

Management Team

Council's Management Team will perform the function of the Operational Risk Management Committee which has oversight in contributing to the ongoing development of the risk management framework and monitoring risk treatment. The Committee will meet quarterly.

The Management Team will ensure the risk management framework identifies high level strategic risks and aligns with the Internal Audit Plan. The Management Team will ensure that the results of its reviews are provided to Council for up-date of the Council's risk profile as appropriate.

The Management Team may consider that periodic reviews of the risk management framework are carried out by Internal Audit pursuant to the Internal Audit Plan.

Hope Vale Aboriginal Shire Council Audit Committee

The Audit Committee reviews risk status and endorses risk strategies and policy. It will review the reports provided by the Chief Executive Officer, communicate risk information issues back to Council and identify new and emerging risks.

Employees including casual employees, contractors and volunteers

All employees are responsible for management of risks within their areas of responsibility as determined under any risk treatment plans.

Employees will be responsible for the timely completion of activities conducted routinely to ensure that employees are familiar with risk management and how it is applied within the Hope Vale Aboriginal Shire Council.

Risk Monitoring

Councils utilizes a number of functions, including Internal Audit, to perform independent and objective monitoring over its risk areas, including if necessary, conducting reviews over Council's operations and risk areas by external agencies.

The scope of the work undertaken by all of these functions and the reviews by external agencies, will be considered in conjunction with Council's risk profile at least annually. This will assess the independent monitoring of key risk areas within Council's risk profile.

RELATED POLICIES AND PROCEDURES

Fraud and Corruption Policy
Fraud and Corruption Prevention Framework
Terms of Reference Operational Risk Management Committee
Business Continuity Plan
Workplace Health and Safety Policy
Risk Management Framework Guidelines

IMPLEMENTATION

The implementation of this policy is the responsibility of the Chief Executive Officer.

POLICY REVIEW

This policy will be reviewed when any of the following events occur:

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;
Relevant legislation, regulations, standards and policies are amended or replaced;
Other circumstances as determined from time to time by the Chief Executive Officer or through a resolution of Council.

Notwithstanding the above, this policy and Council's risk management framework will be reviewed at least every two years by Council's Management Team to review its effectiveness and to ensure its continued application and relevance.

Adopted by Council on 20 April 2022

Shannon Gibbs
Director of Finance