

## 2.4 GOVERNANCE RISK MANAGEMENT POLICY

<b>Policy Number:</b>	2.4.1
<b>Approved by:</b>	Chief Executive Officer
<b>Date Approved:</b>	December 2021
<b>Date of Next Review:</b>	December 2022
<b>Applicable to Unit(s):</b>	Whole Organisation
<b>Responsible Officer:</b>	General Manager Corporate Services
<b>Related Policies:</b>	Occupational Health and Safety Policy Procurement Policy Fraud Control Policy
<b>Related Documents:</b>	Risk Management Framework 2020/21 Risk Register Risk Register User Guide and Resource Manual Administrative Policy Manual Risk Management Strategy International Risk Management Standard AS ISO 31000:2018 – <i>Risk Management-Guidelines</i>
<b>Statutory Reference:</b>	Nil

### OVERVIEW

To establish policy for the management of organisational risk.

### THE POLICY

In application of the Risk Management-Guidelines (AS ISO 31000: 2018), Council is committed to best practice in the identification, evaluation and control of risks to ensure that, as far as is reasonably practical, risks are reduced to an acceptable level, or eliminated.

Specifically, risks to Council include, but are not limited to the following areas:

- Strategic risk
- Environmental
- Health and Safety
- Human Resources
- Project, Product and Service Delivery
- Financial and Economic
- Leadership and Corporate Governance
- Reputation and Corporate Image
- Legislative Compliance and legal
- Technology and Information Management
- Assets, Facilities and Security
- Procurement

- Interagency and State-wide risks
- Internal Controls

The aim of risk management is to minimise losses and maximise opportunities. This policy should be read in conjunction with Wellington Shire Council's Risk Management Framework 2021/22.

Council's risk management objectives are to:

- Embed risk management into all aspects of Council's corporate planning and operations
- Foster a culture that embraces accountability for risk management throughout the organisation
- Promote and support best risk management practices throughout Council
- Equip staff and management with the knowledge and ability to identify, analyse and prioritise areas of risk to Council
- Apply risk management processes into all pre – employment screening
- Implement effective processes to reduce and/or eliminate high-level risk
- Continuously improve risk assessment, monitoring and reporting standards
- Determine how risk should be reported to Council, Auditors and Audit Committee
- Undertake risk assessments for key operations, projects and strategies and maintain a comprehensive and regularly updated risk register to identify and monitor operational and strategic risks, and response plans
- Allow for the effective allocation and use of resources
- Provide a basis for higher standards of accountability through the creation of effective performance objectives and measurement of performance against these objectives
- Manage appropriate cover and minimise costs associated with insurance and litigation.

Council is responsible for approving the Risk Management Policy and with the Chief Executive Officer is responsible for providing adequate resources for the implementation and maintenance of this Policy. Management and staff are responsible and accountable for the application of Council's Risk Management Policy as it extends to their area of responsibility. In particular, Management is responsible for developing risk mitigation plans and implementing risk reduction or treatment strategies.

Our approach is designed to ensure risk management is an integral part of all our decision-making processes. We will use a structured risk management program to minimise foreseeable disruption to operations, financial loss, harm to people and damage to the environment and property. Such a program will actively promote and support effective risk management practices through Council via the provision of ongoing education and instruction to managers and staff, in addition to maintaining an extensive register of known risks.

Council's approach to defining risk appetite is to minimise our exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of our key strategic objectives. We recognise that our appetite for risk varies according to the activity undertaken, that acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorized, and that sensible measures to mitigate risk are established.

## **RISK MANAGEMENT ROLES AND RESPONSIBILITIES**

Successful implementation of Council's risk management framework requires a consistent and systematic approach at all levels of the Shire. Managers, employees and contractors are

responsible for ensuring that risk management is given high priority in the day-to-day conduct of the Shire and Shire related activities.

### **Council**

- Adopt a risk management policy that complies with the requirements of ISO 31000:2018 and review and amend the policy as required.
- Provide adequate budgetary provision for the financing of risk management including approved risk mitigation activities.
- Appoint and resource the Audit and Risk Committee.

### **Audit and Risk Committee**

- Review adequacy and effectiveness of the Risk Management Framework
- Monitor performance of implementing action plans arising from risk assessments including the risk assessments undertaken by the internal auditor.

### **Chief Executive Officer**

- Promote effective management of all types of risks across the Shire's operations.
- Ensure Councillors are aware of risk management objectives.
- Ultimately responsibility for managing risks across the Council.
- Responsible for the recognition and adoption of risk management as a key function of Council, and to ensure the inclusion of risk management as a priority within Council's strategic plan, within all staff position descriptions, within the annual report and other Council documentation.
- Demonstrate a commitment to risk management for all staff.
- Ensure resources are appropriately allocated to meet Council's risk management requirements.

### **General Managers and Managers**

- Responsible for the identification, review, analysis and appropriate treatments applied of all risks within their Division or business unit.
- Ensure adequate protection of Shire staff, assets and operations from risks through appropriate budgeting and implementation of loss control programs.
- Ensure liability risks to customers are effectively managed.
- Ensure all staff are conversant with and understand the role of risk management within Council operations.
- Support and encourage a risk aware culture within the organization by endorsement of promotion of Council's Risk Management Framework.
- Liaise with the Occupational Health and Safety Officer to ensure provision of a safe and healthy work environment and implementation of appropriate safe work practices and control measures.
- Supervise and audit contractors to ensure risk management policies and procedure are applied.

### **Manager People and Capability**

- Provide guidance to the Risk Management Coordinator to determine and address risk management objectives and priorities.

- Facilitate regular risk reporting to CMT and Audit and Risk Committee and update this strategy and related documents.

### **Risk Management Coordinator**

- Promote implementation of risk management strategies and programs designed to minimise risks and potential losses to the Shire.
- In agreement with General Manager Corporate Services and the Manager People and Capability formulate a list of annual objectives to support the Risk Management Framework.
- Develop and review risk management related policies and procedures.
- Develop and maintain a risk register and update the risk analysis matrix for prioritizing of risk against Council's risk appetite.
- Support the development, maintenance and review of Council's Business Continuity Plan.
- Review and provide input into the Shire's insurance portfolio and claim procedures.
- Provide advice and training on risk management principles and processes

### **Employees and Contractors**

- Perform duties in a manner that is within an acceptable level of risk to their health and safety, and that of other employees, contractors and customers.
- Comply with Council's policies and quality assurance procedures where applicable.
- Make loss control and prevention of priority when undertaking tasks.
- Report any hazard or incidents as detected to their Supervisor / Manager or the Shire Responsible Officer (for contractors)
- Be aware of the risk management philosophy and processes of Council.

### **HUMAN RIGHTS**

Wellington Shire Council is committed to upholding the Human Rights principles as outlined in the *Charter of Human Rights and Responsibilities Act 2006 (Vic)* and referred to in Council's Human Rights Policy. The Human Rights Checklist has been completed and this policy accords with Council's policy commitment to uphold human rights principles.