10.6   Policy (Review) - Risk Management.DOC

POLICY NAME:	**RISK MANAGEMENT**
POLICY REF:	R02
MEETING ADOPTED:	**24 November 2011** **Resolution No. 241111/22**
POLICY HISTORY:	250107/020

TABLE OF CONTENTS

10.6   Policy (Review) - Risk Management.DOC

OBJECTIVES

The purpose of this policy is to establish the systems and processes required to manage the risks involved in the Council's activities so as to maximise opportunities and minimise negative outcomes.

The objectives of Council's risk management activities are to:

* Maintain the highest possible integrity for services provided by the Council
* Create an environment where all Council employees understand and accept the importance of risk management
* Improve incident management and reduction in loss and the cost of risk, including insurance premiums
* Achieve a more confident and rigorous basis for decision making and planning
* Improve the Council's ability to be proactive rather than reactive in risk management
* Improve compliance with relevant legislation and
* Demonstrate better corporate governance through transparent and responsible risk management processes aligned with accepted best practice standards and methods.

BACKGROUND

Council recognises that risk management is an integral part of good management practice and fully supports risk management as an integral element in its governance processes. Council will adopt a risk management approach consistent with Australian Standards in their planning, approval, review and control processes.

DEFINITIONS

Risk	effect on uncertainty of organisational strategic and operational objectives such as financial, health and safety and environmental.
Risk Management	coordinated activities designed to direct and control an organisation with regard to risk

SCOPE OF POLICY

This policy applies to all areas of Council's operations:
* All Council employees
* Elected representatives
* Senior Management
* Managers and Supervisors
* Risk Management Group
* Council's Risk and Human Resources Manager.

RELATED DOCUMENTATION

* ~~Ballina Shire Risk Management Action Plan~~

Page 1 of 4   Policy No. R02

- ~~International Risk Management Standard ISO 31000:2009~~ AS/NZS ISO 31000:2009 Risk Management – Principals and guidelines

POLICY

1.   RISK MANAGEMENT PROCESS

The main elements of the risk management process are:

1.1   Establish the Context

Establish the strategic, organisational and risk management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis defined.

1.2   Identify Risks

Identify what, why and how things can arise as the basis for further analysis.

1.3   Analyse Risks

Determine the existing controls and analyse risks in terms of consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood may be combined to produce an estimated level of risk.

1.4   Evaluate Risks

Compare estimated levels of risk against the pre-established criteria. This enables risks to be ranked so as to identify management priorities. If the levels of risk established are low, then risks may fall into an acceptable category and treatment may not be required.

1.5   Treat Risks

Accept and monitor low-priority risks. For other risks, develop and implement a specific management plan that includes consideration of funding.

1.6   Monitor and Review

Monitor and review the performance of the risk management system and changes which might affect it. A breach or failure of a risk treatment will result in a review of the risk treatment for its effectiveness in managing the risk. All risk treatments should be continually monitored to ensure ongoing effectiveness.

10.6   Policy (Review) - Risk Management.DOC

1.7   Communicate and Consult

Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.

2.   ROLES AND RESPONSIBILITIES

2.1   Elected Representatives

Elected representatives are responsible for supporting the framework that sets the parameters for what is to be achieved. This will require considering risks when making decisions and allocating funding and resources.

2.2   Senior Management

~~Senior~~ Management ~~are~~ is responsible for ensuring that a risk management system is established, implemented and maintained in accordance with this policy.

2.3   All Employees Generally

All employees are responsible for identifying potential risks. Management is additionally responsible for risk analysis, evaluation, assignment, registration, and the development of mitigation plans and risk reduction strategies. These risk management processes should be integrated with other planning processes and management activities.

All employees are required to support and contribute to risk management initiatives and to advise their managers of risk issues they believe require attention.

2.4   Risk Management Group

The General Manager will ensure that employee representatives from across the organisation meet regularly, through a risk committee or similar group, to implement risk management actions throughout the organisation. The General Manager, or nominee, will chair these meetings.

A Risk Management Action Plan will be developed to guide the implementation of risk management activities.
The General Manager is responsible for ~~oversighting~~ overseeing the implementation of the Risk Management Action Plan, determining an acceptable level of risk for the Council and monitoring the Council's overall risk profile and mitigation strategies.

Resourcing will be provided to implement risk management throughout the organisation in line with available resources.

10.6   Policy (Review) - Risk Management.DOC

2.5   Council's ~~Risk Manager~~ <mark>Manager Risk and Human Resources</mark>

The senior staff manager responsible for risk management (eg Manager <mark>Risk and</mark> Human Resources ~~and Risk~~) is responsible for assisting the risk management group with the establishment of Council's risk management systems and processes, the development of information and training tools and templates, ~~monitoring~~ <mark>maintaining</mark> a risk register <mark>and</mark> maintenance of the Risk Management Action Plan. ~~and reporting to the risk management group the Council's risk profile and mitigation strategies~~.

2.6   Managers and Supervisors

All managers and supervisors are responsible for the implementation of this Risk Management Policy and the Risk Management Action Plan within their respective areas of responsibility. This includes the identification, assessment and documenting of risks, and the acceptance or assignment of risk responsibility, ongoing assignment and recording of risks in a risk register.

3.   RISK ASSESSMENTS

Council will adopt methodologies in managing risk consistent with the latest Australian Standards for risk management (currently <mark>AS/NZS ISO 31000:2009 Risk Management – Principals and guidelines</mark> ~~International Risk Management Standard ISO 31000:2009~~). This methodology must be integrated into Council's project, business and corporate planning and review processes.

The objective of any risk assessment process is to establish a consistent and comparable basis for quantifying and measuring risk across Council's operations. These risk levels can then be compared to Council's acceptable level of risk, as determined by the General Manager, to identify an appropriate strategy for treatment.

4.   SUPPORTING DOCUMENTS

The General Manager will ensure adequate support documents are developed for use by staff in support of this policy. These documents include a risk register ~~that records all identified risks, a risk management~~ <mark>and</mark> action plan that identifies actions to be taken to mitigate risks ~~and a risk management framework that outlines the entire framework~~ within Council ~~for risk management~~.

5.   RISK REGISTRATION, TREATMENT AND REPORTING

Council's risk register requires managers to record, as a minimum, the risk description, an assessment of that risk, the responsible officer for managing that risk and treatment plans.

This information provides a useful tool for managers and staff to consider in both strategic and operational planning and is <mark>to be made</mark> available to <mark>all</mark> managers and staff.

The risk management group will monitor the risk profile of the organisation with particular regard to those risks that exceed an acceptable risk level.

10.6   Policy (Review) - Risk Management.DOC

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

REVIEW

This policy shall be reviewed every four years.