

COUNCIL POLICY

Risk Management

Contents

1. Purpose.....	4
2. Scope.....	4
3. Policy details	5
3.1 Governance and risk culture.....	5
3.2 Governance and risk framework.....	5
3.3 Risk appetite.....	5
3.4 Risk register.....	6
3.5 Monitoring and reporting	6
3.6 Training and awareness.....	6
4. Roles and responsibilities.....	6
5. Breaches.....	7
6. Human Rights Charter compatibility.....	7
7. Supporting documents	7
8. Definitions and abbreviations.....	8
9. Approval	9

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REVISION RECORD

Date	Version	Revision description
05/04/2005	1.0	Adopted by Council
06/02/2007	2.0	Adopted by Council
24/08/2017	2.1	Draft for internal review and discussion
01/09/2017	2.2	Draft circulated to Audit Committee
14/11/2017	3.0	Adopted by Council
06/11/2019	3.1	Draft review for internal consideration
25/11/2019	3.2	Draft circulated to Audit Committee incorporating reference to climate risks to align with the resolution of Council at its November 2019 Ordinary Meeting to recognise and mitigate the effects of climate change
17/12/2019	4.0	Adopted by Council
11/02/2022	4.1	Draft review for internal and Audit and Risk Committee consideration
28/06/2022	4.2	Draft updated post Audit and Risk Committee feedback and circulated to Councillor Briefing Session for review and consideration
05/07/2022	5.0	Adopted by Council

1. Purpose

Alpine Shire Council is committed to:

- managing its resources effectively
- achieving its goals as outlined in the Council Plan
- safeguarding its employees and the community.

Risks can potentially prevent Council from meeting its planned commitments.

The purpose of this policy is to:

- outline Council's commitment to governance and risk management
- promote an integrated approach to the management of risks that could impact the achievement of Council's objectives
- embed governance and risk management into Council's strategic and operational planning, decision-making processes, and operations to protect Council's people and assets, the environment, and the community and to build trust and confidence
- create a culture within the organisation that embraces accountability for governance and risk management
- equip the organisation with the skills and tools to identify, assess and treat risks to an acceptable level
- improve governance and compliance with legislative requirements
- maximise the achievement of Council's objectives, services, and activities.

2. Scope

The successful implementation of this policy requires a consistent and systematic approach to risk management at all levels of Council.

This policy applies to:

- the exercise, performance and discharge of all duties, functions and powers of Council, its representatives, employees, contractors, and volunteers
- all activities, decisions and operations conducted by or on behalf of Council.

This policy is not intended to be a prescriptive instruction in the management of risk and as such is supported by a Governance and Risk Framework that incorporates legislative and industry guidelines, best practice instruction and internal procedures and processes.

3. Policy details

3.1 GOVERNANCE AND RISK CULTURE

Council is committed to developing a culture that embeds effective governance and risk management in all its activities, decisions, operations, and projects. Council is committed to the development of a culture where governance and risk is proactively managed and where issues are reported and managed transparently. In this culture, blame is not attributed to genuine error, however, is identified and used as an opportunity to strengthen controls and awareness.

To achieve this, it is necessary for the organisation to be open to identifying and discussing risks, as well as understanding the process of risk management and the potential consequences of ineffective risk management.

3.2 GOVERNANCE AND RISK FRAMEWORK

A Governance and Risk Framework (Framework) will be maintained that is:

- consistent with the risk management Standard AS/NZS ISO 31000:2018 (Risk Management - Guidelines)
- published electronically and be available to all employees
- reviewed in conjunction with the review of this policy.

The Framework will provide an effective and consistent process for the identification, assessment, and management of risks in line with standards, best practice, and good governance.

The key components of the Framework are:

- this risk management policy
- risk management assessment tools
- a risk register
- recognition of the strategic context of Council's objectives
- a governance action sheet
- statutory compliance tables
- the Audit and Risk Committee.

All directorates must implement the Framework.

3.3 RISK APPETITE

Council's risk appetite is not fixed; it has a range of appetite depending on the risk and accepts that its appetite in relation to a particular risk may also vary over time. Council generally operates within a low to medium risk level range where activities are not expected to materially, or adversely, affect: the health and safety of its people or the community, essential services, the environment, its reputation, or financial sustainability.

Council is not averse to accepting risk if a thorough risk assessment has been undertaken and risk mitigation strategies to manage or reduce the risk have been developed and implemented.

3.4 RISK REGISTER

Council's risks, including strategic, operational, compliance, climate, and project risks, will be recorded in a risk register that will be maintained and reviewed on an on-going basis.

The risk register will enable:

- key risks in the internal and external operating environment to be recorded, assessed, and classified
- the allocation of a risk owner
- the identification and recording of measures to mitigate or control the risks
- monitoring of risks and control measures and the recording of material changes.

3.5 MONITORING AND REPORTING

To encourage continuous improvement, the application and performance of, and adherence to, this policy, the governance and risk framework and key risks identified in the risk register will be monitored and reported at least every six months to:

- the Alpine Management Team (AMT)
- the Audit and Risk Committee
- Council.

3.6 TRAINING AND AWARENESS

The value of training in and awareness of risk management is recognised and where relevant and required, councillors, employees, volunteers, and contractors will be appropriately briefed in a range of governance and risk topics.

Governance and risk management will be incorporated into the employee induction program.

In addition, the Health, Safety and Risk Officer will be available to act as an advisor on the identification and assessment of risks and the development, implementation, and monitoring of control measures.

4. Roles and responsibilities

The CEO and AMT will demonstrate leadership and commitment to ensuring that risk management is integrated into all organisational activities and decision-making.

Every employee, councillor, volunteer, and contractor are accountable and responsible for managing risk within their own role and area of responsibility.

The roles and responsibilities for risk management are outlined in detail in the Governance and Risk Framework.

Regarding this policy, the following roles are responsible for approving, implementing, complying with, monitoring, evaluating reviewing and providing advice on the policy and procedures:

Responsibility	Role / Position
Implementation	<ul style="list-style-type: none"> • Chief Executive Officer • All directors and managers
Compliance	<ul style="list-style-type: none"> • All councillors, employees, volunteers, and contractors
Development/Review	<ul style="list-style-type: none"> • Director Corporate Performance • Manager Corporate • Health, Safety and Risk Officer • Audit and Risk Committee
Interpretation/Advice	<ul style="list-style-type: none"> • Director Corporate Performance • Manager Corporate • Health, Safety and Risk Officer

5. Breaches

Failure to comply with this Council policy, supporting procedures or guidelines, will be subject to investigation which may lead to disciplinary action including possible suspension or termination of employment or contract.

6. Human Rights Charter compatibility

This policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 [Vic]*.

7. Supporting documents

This policy should be read in conjunction with all other relevant, Council policies and procedures, as well as relevant legislative requirements.

Related Legislation

- *Local Government Act 1989 [Vic]*
- *Local Government Act 2020 [Vic]*
- *Local Government (Planning and Reporting) Regulations 2020 [Vic]*
- *Occupational Health and Safety Act 2004 [Vic]*

Related Guidelines, Operational Directives or Policies

- Alpine Shire Council Governance and Risk Framework
- Alpine Shire Council Fraud and Corruption Control Policy No. 091
- Alpine Shire Council Health and Safety Policy No.052

Related Procedures

- Health, safety, and risk related procedures

Standards

- Australian and International Risk Management Standard AS ISO 31000:2018 Risk Management –Guidelines
- Australian Standard AS 8004:2008 Fraud and Corruption Control

8. Definitions and abbreviations

Term	Meaning
Alpine Management Team - AMT	Council's Chief Executive Officer, directors, and managers
Control	Measure that maintains and/or modifies risk (AS ISO 31000:2018) Any measure or action (policy, procedure, practice, process, technology, technique, method, or device) that acts to modify, minimise, or manage negative risk or enhance positive opportunities
Consequences	Outcome of an event affecting objectives (AS ISO 31000:2018)
Council	Alpine Shire Council
Event	Occurrence or change of a particular set of circumstances (AS ISO 31000:2018) An occurrence, several occurrences, or a non-occurrence (sometimes referred to as incidents or accidents) that always has a cause and usually has a consequence
Likelihood	Chance of something happening (AS ISO 31000:2018) A general description of the chance, probability, or frequency that something might happen
Organisation	Alpine Shire Council
Risk	Effect of uncertainty on objectives (AS ISO 31000:2018) A possible event or incident that, if it occurs, will have an impact on organisational outcomes and/or performance (Paladin Risk Management Services)
Risk appetite	The amount of risk Council is prepared to accept, tolerate, or be exposed to at any point in time in the pursuit of achieving its objectives considering the internal and external context and the capabilities of Council to manage the risk
Risk assessment	Overall process of risk identification, risk analysis and risk evaluation (AS ISO 31000:2018)
Risk framework	Set of components that provide the foundations and organisational arrangements for integrating, designing,

Term	Meaning
	implementing, evaluating, and continually improving risk management throughout the organisation
Risk identification	Process of finding, recognising, and describing risks (AS ISO 31000:2018)
Risk management	Coordinated activities to direct and control an organisation with regard to risk (AS ISO 31000:2018) Relates to all aspects of the organisation's activities, decision making and operations and coordinates activities and people towards new opportunities while managing unwanted effects and any uncertainty
Risk owner	Individual who has the accountability and authority to manage risk (AS ISO 31000:2018)
Risk register	A document containing a record of information about identified risks

9. Approval

THE COMMON SEAL OF THE
ALPINE SHIRE COUNCIL was
hereunto affixed this 5 day of July 2022
in the presence of:

John Forsyth
COUNCILLOR

The Risk Management Policy
(version 5) was adopted at the
Ordinary Council Meeting held
on 5 July 2022.

KELLI PRIME
COUNCILLOR

The original signed copy is held
in Council's records.

Alan Ward
A/ CHIEF EXECUTIVE OFFICER