

SCS-021 Risk Management Policy

TRIM Reference: D22/122527 Due for Review: 30/06/2025
Responsible Officer: Manager Governance

Purpose

The Surf Coast Shire Council's (Council) purpose is: *to help our community and environment to thrive*. Council is committed to having an open and transparent risk management culture that underpins and supports its purpose and strategic goals as part of a system of good corporate governance. Council will strive to ensure that it does not place the community, staff, visitors or contractors at unacceptable levels of risk or harm, and that it safeguards its assets, infrastructure, finances and reputation.

To achieve this, Council has adopted an integrated, enterprise wide approach to the management of risk. This approach provides for the effective identification, analysis, management and escalation of risk throughout the organisation, enhanced decision making, and visibility to Council and the community that risks are being managed effectively. This will allow the Executive Management Team (EMT) and Council to make informed decisions with regard to resourcing and budget.

Policy Principles

This Risk Management Policy describes Council's commitment to proactively and systematically manage risk through the provision of an effective Risk Management Plan that mitigates negative outcomes and creates opportunities for improvement.

In implementing this Policy, Council is committed to ensuring it provides the resources and mechanisms towards risk management and will be well placed to meet its strategic objectives in the Council Plan (incorporating Health and Wellbeing) 2021-2025.

Scope

An enterprise wide approach to risk management enables Council to consider the potential impact of all types of risks on services, projects, processes, activities, stakeholders and the community and addresses the following questions:

1. How much risk are we facing?
2. How much risk can we take?
3. How much risk do we want to take?

Council is committed to working within a robust Risk Management Plan by adopting the ISO 31000:2018 principles, framework and process model (refer to the Risk Management Plan).

Policy

Surf Coast Shire Council will implement the Risk Management Plan that provides an effective process for the identification, analysis and management of both positive and negative impacts on physical, social and economic capital.

Through the application of a robust and consistent approach to risk management, Council:

- Recognises risk management as an integral part of good management practice and decision making.
- Integrates risk management into planning and operational processes.

- Creates and maintains a risk management environment that enables Council to deliver high quality services and meet performance objectives in line with the principle of continuous improvement.
- Embeds the risk methodology to provide the confidence to accept certain risks.
- Demonstrates the application of the risk management process of identifying, analyzing, evaluating and treating risks, as detailed in the Risk Management Plan.
- EMT and Managers shall promote a “no blame” culture throughout the organisation to ensure the ongoing improvement of risk management.
- EMT and Managers shall guide their initiatives taking from the level of risks described in the Risk Appetite Statement.
- EMT and Managers must lead, actively participate and have complete oversight over all aspects of risk management within their areas of responsibility.
- The criteria to be used for risk assessments are those detailed in the Risk Management Plan which supersedes any risk plans that have been developed previously.
- All operational risks are to be recorded and updated within Council’s risk register.
- Council’s risk register will be periodically and consistently reviewed in accordance with the timeframes specified in the Risk Management Plan.
- Strategic risks are to be reported to the Audit and Risk Committee, on a rotational basis, quarterly.
- Operational risks that are rated extreme or sit outside Councils tolerance levels will be reported to ARC quarterly.

Roles and Responsibilities

<p>Audit and Risk Committee</p>	<ul style="list-style-type: none"> • Oversee the risk management activities and review mechanisms in place to comply with the Risk Management Policy and Plan: process, resources and effective engagement. • Consider the adequacy of actions taken to ensure that the risks have been dealt with in a timely manner to mitigate exposures to the Council. • Review Councils high cost project risks to ensure adequacy of mitigation strategies are in place.
<p>Council</p>	<ul style="list-style-type: none"> • Responsible for the adoption of the Risk Management Policy • Responsible for setting the risk appetite statements for Council. • Receives and notes reports from the Audit and Risk Committee on the progress of the risk implementation plan and reported risks.
<p>Chief Executive Officer</p>	<ul style="list-style-type: none"> • Responsible for the leadership and effective implementation of Council’s Risk Management Policy and Plan as well as ensuring their ongoing robustness. • Endorse the Risk Management Policy and Plan and monitor implementation. • Provide executive leadership in the management of strategic, operational and project risks and generally champion risk management within Council.
<p>General Manager Strategy and Effectiveness</p>	<ul style="list-style-type: none"> • The senior executive responsible for overseeing the development, facilitation and implementation of a risk management culture, plan, and policy, including training and awareness, monitoring corporate risk management performance and management reporting. They are also responsible for overseeing the development and maintenance of the work, health and safety culture, framework and systems throughout Council.
<p>Executive Management Team</p>	<ul style="list-style-type: none"> • Provide leadership in the management of strategic, operational and project risks and championing risk management within Council. • Responsible for embedding risk management into decision-making and ensuring that risks are managed in accordance with the risk implementation plan. • Provides quarterly updates on strategic and the high /extreme operational risks to ARC. • Agree by the majority to the closure of strategic risks. • Individually responsible to allow for the closure of the high to extreme operational risks within their area of responsibility.
<p>Managers</p>	<ul style="list-style-type: none"> • Ensure all the requirements of Council’s Risk Management Plan are implemented effectively across their areas of responsibility.

	<ul style="list-style-type: none"> • Championing risk management within their department and appropriate risk management practice by staff, volunteers, contractors, and service providers. • Responsible for ensuring controls in place are working effectiveness. • Are responsible for the closure of operational risks rated 15 or lower.
Manager Governance	<ul style="list-style-type: none"> • Responsible for maturing Council's risk management culture through coaching, training and implementing the risk management plan across the organisation. • Ensure that Council's risk management culture is continuously evolving as Council matures. • Ensure that Council's risk appetite is regularly reviewed to align with level of maturity. • Provides strategic advice on risk management, resilience and guidance to the CEO, EMT and ARC. • Prepare various risk management reports to the ARC and EMT in accordance with the Risk Management Policy and Plan. • Liaise with the Internal Auditor and other stakeholders as required. • Measure risk management maturity and report on the implementation of actions to achieve target maturity.
Risk Management Coordinator	<ul style="list-style-type: none"> • Responsible for continuously improving the Risk Management Policy and supporting Plan. • Develop, maintain and quality assure enterprise risk registers and monitor implementation of controls and agreed treatment actions. • Assist with the preparation of various risk management reports to the ARC and EMT in accordance with the Risk Management Policy and Plan. • Provide risk management training, advice and support and conduct risk assessments as agreed with EMT or Senior Management.
All Employees	<ul style="list-style-type: none"> • All employees are responsible for applying risk management practices in their area of work and ensuring that management are aware of the risks associated with Council's operations including recommendation of suitable plans to manage risk.

Risk Appetite and Tolerance

1. ISO 31000:2018 defines risk appetite as “the amount and type of risk that an organisation is prepared to pursue, retain or take” and risk tolerance as an “organisation’s or stakeholder’s readiness to bear the risk after risk treatment in order to reach its objectives”.
2. These thresholds are set understanding Council’s maturity, its processes and internal control environment, and the structures in place for the identification, treatment and escalation of risk. They are not fixed and can change with the internal and external environment.
3. Risk appetite sets the tone, or the attitude, for risk taking in general whilst tolerance informs the expectations for mitigating and managing risks, whether it requires immediate action to reduce exposure, ongoing close monitoring and review, or regular high level review or management at a local level.

Local Government Act 2020 Principles

Principles	Applicable to policy	If yes, provide details
Governance Principles (Consideration of the Governance Principles under s.9 of LGA 2020)	Yes	This Policy has taken into consideration all the principles under s.9 of the LGA 2020, specifically noting s.9(b) <i>'priority is to be given to achieving the best outcomes for the municipal community, including future generations'</i>
Community Engagement (Consideration of Community Engagement Principles under s.56 LGA 2020)	No	
Public Transparency (Consideration of Public Transparency Principles under s.58 of LGA 2020)	Yes	This Policy has taken into consideration the Public Transparency Principles, specifically s.58(a) <i>'Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act'</i>
Strategies and Plans (Consideration of Strategic Planning Principles under s.89 of LGA 2020)	Yes	All the principles under s.89 of the LGA have been taken into consideration. They underpin the risk management policy and plan to ensure our strategic goals are achieved.
Financial Management (Consideration of Financial Management Principles under s.101 of LGA 2020)	Yes	This Policy has taken into consideration all the principles under s.101 of LGA 2020, specifically ensuring that financial risks are managed and addressed effectively.
Service Performance (Consideration of Service Performance Principles under s.106 of LGA 2020)	Yes	All principles under s.109 of the LGA have been taken into consideration to ensure that Council is able to provide safe services to the community and ensure continuous improvements.

Definitions

Risk	The 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 or threats.
Risk Management	Coordinated activities to direct and control an organisation in relation to risk.
Risk Management Framework	Set of components that provide the foundations and organisation arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Owner	Person or entity with the accountability and authority to manage a risk.
Stakeholder	Person or organisation that can affect, be affected by or perceive themselves to be affected by a decision or activity

Related Procedure

Surf Coast Shire Risk Management Plan 2022

References

1. ISO 31000:2018 Risk Management – Principles and Guidelines
2. ISO 22316:2017: Organisational resilience
3. ISO Guide 73 Risk Management - Vocabulary

Document History

Version	Document History	Approved by - Date
7	Amended	Council Resolution - 23 October 2018
8	Reviewed and amended	Council Resolution - 26 July 2022