



Gladstone Regional Council

Council Policy

Title	RISK MANAGEMENT
Policy Number	P-2020-13
Business Unit/s	FINANCE GOVERNANCE AND RISK
Date of Adoption	1 SEPTEMBER 2020
Resolution Number	G/20/4311
Review Date	1 SEPTEMBER 2021
Date Repealed	

1.0 PURPOSE:

This policy demonstrates Gladstone Regional Council's (Council) commitment to the development, implementation and continual improvement of a comprehensive enterprise wide risk management framework.

2.0 SCOPE:

This policy applies to all employees and Councillors. It is also intended that this policy will extend to contractors, consultants and volunteers engaged in the provision of Council services or the management of Council facilities and assets unless expressly excluded.

3.0 RELATED LEGISLATION:

- *Local Government Act 2009*
- *Local Government Regulation 2012*

4.0 RELATED DOCUMENTS:

- Corporate Plan
- Risk Management Corporate Standard
- Risk Management Procedures
- Corporate Risk Register and Risk Treatment Plans
- AS ISO 31000:2018 Risk Management – Principles and Guidelines.

5.0 DEFINITIONS:

To assist in interpretation of this policy the following definitions apply:

“Corporate Risk” means the effect of uncertainty on objectives associated with the sustainability of Council or its ability to deliver on the objectives of the Corporate Plan.

“Project Risk” means the effect of uncertainty on objectives associated with a specified project, initiative or the day to day activities of Council.

“Operational Risk” means the effect of uncertainty on objectives of achieving activities associated with Councils business units and operational objectives.

“Risk” means the effect of uncertainty on objectives.

“Risk Appetite” means the amount and type of residual risk that an organisation is willing to pursue, retain or take in the pursuit of its objectives. It is a statement or series of statements that describes the organisations attitude towards risk taking.

“Residual Risk” means the level of risk once controls have been applied.

“Risk Management” means coordinated activities to direct and control an organisation regarding risk.

“Risk Management Framework” means the set of components that provide the foundations and organisational arrangements for designing, implementing monitoring, reviewing and continually improving risk management throughout the organisation.

“Unforeseen Risk” means an event that was not expected to happen or could not have been known about beforehand.

6.0 POLICY STATEMENT:

Council faces many external and internal factors and influences that impact its ability to achieve its objectives. Through the effective management of risk, Council endeavours to lower the likelihood of negative risks materialising, realise opportunities, improve performance, encourage innovation, and support the achievement of Council’s objectives, adding value for the entire community.

Council is committed to the development, implementation and continual review and improvement of a comprehensive risk management framework that is integrated across the entire organisation encompassing corporate, operational, project and unforeseen risks.

The Risk Management Framework will reflect the following principles:

- Council is an environment where all employees take responsibility for managing risk ensuring resources and operational capabilities are optimised;
- A risk aware culture is integral to Council achieving its objectives as well as identifying and creating opportunities. The integration of risk control measures into strategic planning will ensure that Council’s exposure to risk is mitigated and opportunities are realised and included;
- Decision making will be risk-based and informed, demonstrating transparent and responsible risk management processes that align with best practice; and
- Council’s risk management culture will enable the organisation to meet legislative compliance.

To support the risk management framework Council will ensure:

- There is a consistent and systematic approach to the management of Corporate, Operational, Project and unforeseen risks across the organisation;
- Clear functions and responsibilities are defined;

- Employees have the necessary skills and tools to allow them to thrive in a risk aware culture and those with key management roles and responsibilities have the necessary delegation to undertake these responsibilities;
- Necessary resources are allocated in support of risk management within Council; and
- Transparency in relation to risks and challenges faced.

6.1 Risk Appetite

As a local government, Council's operations are subject to increased political and community scrutiny when compared to those in the private sector. Generally, Council takes a **conservative** approach to the trade-off between 'residual risk' and 'return'.

Council's risk appetite is illustrated in the below table:

Corporate Risk Category	Residual Risk			
	Minimal	Moderate	Open	Seeking Opportunity
Health, Safety & Wellbeing	✓			
Financial		✓		
Reputation	✓			
Environment	✓			
Regulatory and Legal	✓			
Service Delivery		✓		

Approach to Risk	Minimal	Moderate	Open	Seeking Opportunity
	Council takes a cautious approach towards taking risk	Council takes a balanced approach to taking risk	Council takes a higher level of risk for increased benefit	Council takes an aggressive approach towards risk as it is considered core to the delivery of its corporate plan

Corporate Risk Category	Description
Health Safety & Wellbeing	Health safety and wellbeing of employees, contractors, volunteers, consultants, stakeholders and the broader community.

Financial	Financial sustainability to support the achievement of Council's corporate goals and objectives in the medium to long term.
Reputation	Council's reputation and goodwill, relationships with government and government agencies, relationships with the community and other key stakeholders.
Environment	Impact to the natural environment.
Regulatory and Legal	Regulatory and legal compliance.
Service Delivery	The provision of core services and implementation of Asset Management Plans now and into the future including achieving Council's Operational Plan, asset management practices, delivery of major projects and ICT capabilities.

6.2 Risk Governance

Risk Responsibilities	
Councillors	<ul style="list-style-type: none"> • Establishing Council's Risk Appetite • Adopting the Risk Management Policy • Ensuring oversight of the Risk Management Framework • Understanding and considering risks within their decision-making process as part of a robust system of good governance.
Chief Executive Officer	<ul style="list-style-type: none"> • Overall responsibility for leadership in developing a risk management culture • Ensuring that a risk management system is established implemented and maintained in accordance with this policy • Responsible for understanding and considering risks within the decision-making process.
General Managers	<ul style="list-style-type: none"> • Identifying, assessing, managing, reporting, reviewing and monitoring risks that may impact the achievement of Council's operational and commercial objectives • Implementing this policy and ensuring that there are systems in place for Council to maintain adherence to this policy • Fostering a culture where risks can be identified and escalated as required • Understanding and considering risks within the decision-making process
Managers, Specialists	<ul style="list-style-type: none"> • Identifying, assessing, managing, reporting, reviewing and monitoring risks that may impact the achievement of Council's objectives • Facilitating risk assessments, maintenance of the business unit's risk registers and monitoring action items within the respective business areas • The provision of technical expertise and advice • Analysing and reporting risk in accordance with the framework, which includes the reporting of material risks for

	<p>inclusion in Executive, Audit Risk and Improvement Committee or Council meeting reports</p> <ul style="list-style-type: none"> Implementing and maintaining this policy
All Employees	<ul style="list-style-type: none"> All employees have the responsibility to comply with this policy in particular, identifying and managing the risks associated with the tasks and activities they perform in the achievement of organisational objectives and ensuring that risks are escalated as required.
Contractors, consultants and volunteers	<ul style="list-style-type: none"> Responsible for identifying and managing the risks associated with the tasks and activities they perform in the provision of Council services or the management of Council facilities and assets, ensuring that risks are managed in accordance with Council's Risk Management framework as a minimum standard.
Audit Risk Improvement Committee	<ul style="list-style-type: none"> Provides independent and objective assurance as to Council's overall system of risk management, including internal controls. The Audit Risk Improvement Committee will monitor Council's adopted risk management framework and assist with the development of a risk aware culture through the facilitation of risk management.

7.0 ATTACHMENTS:

Nil.

8.0 REVIEW MECHANISM:

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

1. The related legislation or governing documents are amended or replaced; or
2. Other circumstances as determined by resolution of Council or the CEO; or
3. Three years from date of adoption.

TABLE OF AMENDMENTS			
Document History	Date	Council Resolution No.	Notes (including the prior Policy No, precise of change/s, etc)
Originally Approved	18 September 2012	G/12/1239	
Amendment 1	21 January 2014	G/14/1880	
Amendment 2	06 June 2017	G/17/3065	
Amendment 3	1 Sept 2020	G/20/4311	Prior Policy No. P-2017-23

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