

<b>Policy title</b>	Risk Management Policy
<b>Responsible manager(s)</b>	Director Finance and Business Development
<b>Contact officer(s)</b>	Divisional Manager Governance and Information
<b>Directorate</b>	Finance and Business Development
<b>Approval date</b>	09 May 2017
<b>Focus area</b>	Support Services
<b>Delivery Program link</b>	SS1.2 Maintain a sound governance framework within which Council operates
<b>Operational Plan link</b>	SS1.2.1 Manage council risk and insurances

### Purpose

This policy affirms Eurobodalla Shire Council's commitment to risk management and reflects the value it places on the management of risk throughout the organisation. This policy recognises the varied and complex work environments of Council and its areas of specialist service delivery.

Council is committed to taking a structured and innovative approach to the management of risk throughout the organisation in order to promote and demonstrate good corporate governance, to minimise loss and maximise opportunities to improve service provision.

The Risk Management approach utilised by Eurobodalla Shire Council in the development of its Risk Management Plan is Australian Standard [AS/NZS ISO 31000:2009 – Risk Management](#) together with the requirements of the *Work Health and Safety Act 2011 (NSW)* [Work Health and Safety Act 2011 \(NSW\)](#). It will be incorporated into the Planning, Governance, Assets Management and Operational Processes of Council.

To ensure ongoing compliance with AS/NZS ISO 31000:2009, this policy will:

- state the risk management objectives of Eurobodalla Shire Council;
- identify the elements of Eurobodalla Shire Council's risk management system required for the control of risk;
- be consistent with relevant risk management legislation, codes of practice, Australian Standards and industry practice;
- be documented, implemented, maintained and communicated to all employees;
- be available to other interested parties; and
- be reviewed periodically (at least every 2 years) to ensure it remains relevant and appropriate.

### Policy aims

This policy aims to:

- provide direction and commitment to Risk Management principles as part of Council's management planning, decision making and the undertaking of operational activities;
- effectively integrate the management of risk into Council's high level management planning activities to ensure the achievement of its strategic objectives as outlined in the Community Strategic Plan and associated documents. The Risk Management Framework (incorporated

into the Risk Management Plan) includes Risk Management being integrated with Council's Integrated Planning and Reporting Structure;

- apply and incorporate the Risk Management Framework into Council's operational activities and business planning processes;
- promote an environment of risk awareness and willingness to manage risk at all levels of Council's operations;
- provide opportunities that encourages continuous improvement of the Risk Management Program and at all levels of the organisation.
- ensure, through the application of this Policy:
  - the Council, General Manager and Executive Leadership Team are in a position to confidently make informed strategic, project and operational decisions based on Risk Management Principles;
  - the requirements of the Office of Local Government's Promoting Better Practice, in relation to the management of risk, are satisfied;
  - all reasonably foreseeable risks are systematically identified, assessed, analysed, prioritised and considered for appropriate treatment with all information documented in Eurobodalla Shire Council's electronic risk system;
  - the correct assigning of ownership of risks through appropriate delegation of risk management responsibilities to all Eurobodalla Shire Council's officers across all functional areas of Eurobodalla Shire Council;
  - all relevant legislation is complied with and relevant risk management standards (currently AS/NZS ISO 31000:2009) [infostore.saiglobal.com/store/Details.aspx?ProductID=1378670](http://infostore.saiglobal.com/store/Details.aspx?ProductID=1378670) are used to provide guidance in best risk management practices;
  - the effective management and allocation of resources through more targeted and effective controls;
  - improved protection of the community, Eurobodalla Shire Council Council's workers and volunteers, Council's assets and Council's financial integrity and sustainability;
  - the effective communication of this policy through the development of a Risk Management Communication and Reporting Framework.

### Policy details

<b>1</b>	<p><b>Application</b></p> <p>This procedure applies to all Eurobodalla Shire Council workers and all others at Eurobodalla Shire Council workplaces.</p>
<b>2</b>	<p><b>Legislation</b></p> <p>Council is guided by the <i>Local Government Act 1993</i>, the <i>Civil Liability Act 2002</i>, as well as Australian Standards and Statewide Mutual's Best Practice Manuals for the management of risk.</p>
<b>3</b>	<p><b>Context</b></p> <p>Risks exist in all aspects of Eurobodalla Shire Council's undertakings. AS/NZS ISO 31000:2009 <a href="http://infostore.saiglobal.com/store/Details.aspx?ProductID=1378670">infostore.saiglobal.com/store/Details.aspx?ProductID=1378670</a> defines risk as the 'effect of uncertainty on objectives'. An effect is a deviation from the expected, whether it be a negative or positive (realising opportunities) deviation.</p>

	<p>The effective implementation of this policy will ensure that the management of risk is seen as good business sense and provide a way to confidently know which risks to take for the benefit of a greater opportunity, which risks to avoid in order to prevent significant impact on the organisation and managing the outcomes for success in order to achieve Eurobodalla Shire Council's key objectives.</p> <p>It is essential that risks are managed to ensure that Eurobodalla Shire Council achieves its objectives; and in turn be recognised for the excellence of its services and for the strength of its partnerships with the community, customers, employees and stakeholders. Risk Management plays a key role in ensuring that Eurobodalla Shire Council achieves that objective.</p>
<p><b>4</b></p>	<p><b>Responsibilities</b></p> <p>The Council, General Manager, Directors, Divisional Managers, and all workers of Council are to be familiar with, and competent in, the application of the Risk Management Policy, and are respectively accountable for the delivery of the Policy within their areas of influence and responsibility. These are outlined in Eurobodalla Shire Council's Enterprise Risk Management Plan.</p>

## Implementation

	Requirements	Responsibility
<p><b>1</b></p>	<p><b>Risk Management Plan</b></p> <p>Eurobodalla Shire Council's Enterprise Risk Management Plan (ERMP) is the document that articulates how the intent of this policy is to be communicated and implemented throughout Eurobodalla Shire Council's operations. It provides clear guidance and the associated processes, procedures and standards that are to be observed.</p> <p>Effective communication is critical to the successful implementation of the policy. Council will develop and implement a Communication Strategy that will ensure the policy and its intent is known, clearly understood and applied by all workers within Council.</p> <p>Similarly, a Reporting Strategy will provide effective channels for information, decision making and instructions to be relayed efficiently and effectively in order to successfully manage any potential risk that may impact on the achievement of Eurobodalla Shire Council's objectives. It is the responsibility of all Eurobodalla Shire Council workers to follow these protocols.</p> <p>Eurobodalla Shire Council is committed to the proactive approach to risk management, to continually review its effectiveness and to be flexible enough to adapt to the changing needs of the organisation.</p> <p>A performance review of the effective implementation of the Risk Management Plan and activities will be conducted on an ongoing basis by the Audit, Risk and Improvement Committee. This review will</p>	<p>Divisional Manager Governance &amp; Information</p>

	serve to further enhance Council's performance that will see Council viewed as a proactive and resilient leader by the community.	
<b>2</b>	<p><b>Committee</b></p> <p>The Audit, Risk and Improvement Committee (ARIC) will monitor the development and implementation of the enterprise risk management system with the objectives of:</p> <ul style="list-style-type: none"> <li>• Endeavour to provide a safe environment for residents and visitors</li> <li>• Proactively manage Council risks</li> <li>• Minimise injury, loss and exposures to litigation</li> <li>• Advise on the future direction of Eurobodalla Shire Council for the management of risk.</li> </ul>	Audit, Risk & Improvement Committee
<b>3</b>	<p><b>Record Requirements</b></p> <p>All documents associated with the risk management system and procedures are to be kept in the appropriate Council electronic record keeping system. All Council officers are responsible for the formal retention of any risk management documents. The current file location in EASE for the retention of risk management system associated documents is E01.5556.</p>	Council officers
<b>4</b>	<p><b>Conflicts of Interest</b></p> <p>It is all employees' responsibility to ensure that there are no existing conflict of interest situations in undertaking their respective Council role. All conflicts of interest will be managed in accordance with Council's Code of Conduct Policy and procedures.</p>	Council officers
<b>5</b>	<p><b>Staff</b></p> <p>Under supervision, relevant Council staff will be responsible for ensuring that this policy is implemented appropriately within their work area, after they have received appropriate training to do so.</p>	Managers and Coordinators
<b>6</b>	<p><b>Concerns</b></p> <p>Public concerns communicated to Council in relation to this policy will be recorded on Council's records system and handled in accordance with Council's Customer Service or Complaints policy. These records will be used to determine any follow-up actions and analyse the history of reported public concerns.</p>	Council officers
<b>7</b>	<p><b>Consultation</b></p> <p>Council's Executive Leadership Team and Divisional Managers have been involved in the development of the Enterprise Risk Management Framework. Any consultation deemed necessary will occur as required with key stakeholders, which may include (but not be limited to) the community, other agencies, statutory and industry bodies. Public submissions regarding this policy are invited for consideration during the exhibition period.</p>	As applicable

## Review

The policy will be automatically revoked at the expiration of twelve months after the declaration of the poll for the next general NSW local government election, unless Council revokes it sooner.

**Note:** Automatic revocation of the policy is provided for by section 165(4) of the Local Government Act 1993. The next general local government election is expected to be held in September 2020.

This policy may also be reviewed and updated as necessary when legislation requires it; or Council's functions, structure or activities change; or when technological advances or new systems change the way that Council manages risk.

Reviews of the effectiveness of this policy could include the following:

Performance indicator	Data source(s)
Delivery Program/ Operational Plan outcomes achieved	Council reporting
Concerns or complaints registered	Council records
Customer feedback, survey responses	Surveys
Internal or external review	Audit

## Definitions

Word/ Acronym/ Phrase	Definition
ARIC	Audit Risk and Improvement Committee
Others	People who are present at a Eurobodalla Shire Council worksite or otherwise affected by work carried out by Eurobodalla Shire Council, who are not carrying out work for Eurobodalla Shire Council. Includes visitors to Eurobodalla Shire Council workplaces.
EASE	Eurobodalla Shire Council Electronic Document Management System
ERMP	Enterprise Risk Management Plan
WHS	Work Health and Safety
WHS Officer	A person who makes, or participates in making, decisions that affect the whole or a substantial part of the business or undertakings of Eurobodalla Shire Council. Council's Officers are the General Manager and the members of Executive Leadership Team. For clarity, the WHS Legislation excludes elected members of Council from having Officer responsibility.
Worker	Person who carries out work for Eurobodalla Shire Council, whether paid or unpaid, or directly or indirectly engaged. Includes an employee, labour hire staff, volunteer, apprentice, work experience student, subcontractor, and contractor.
Workplace	includes all permanent and temporary workplaces and related facilities

## Governance

This policy should be read in conjunction with any related legislation, codes of practice, relevant internal policies, and guidelines.

*Related legislation and policies*

Name	Link
Related Council Policy or Code of Practice	<a href="http://www.esc.nsw.gov.au/inside-council/council/council-policies">www.esc.nsw.gov.au/inside-council/council/council-policies</a>
Local Government Act 1993	<a href="http://www.legislation.nsw.gov.au/maintop/view/inforce/act+30+1993+cd+0+N">www.legislation.nsw.gov.au/maintop/view/inforce/act+30+1993+cd+0+N</a>
Work Health and Safety Act 2011 (NSW) (WHS Act)	<a href="http://www.legislation.nsw.gov.au/#/view/act/2011/10">www.legislation.nsw.gov.au/#/view/act/2011/10</a>

*Related external references*

Name	Link
Office of Local Government	<a href="http://www.olg.nsw.gov.au">www.olg.nsw.gov.au</a>
AS/NZS ISO 31000:2009 - Risk management – Principles and guidelines	<a href="http://infostore.saiglobal.com/store/Details.aspx?ProductID=1378670">infostore.saiglobal.com/store/Details.aspx?ProductID=1378670</a>
IEC/ISO 31010 2009-11 - Risk management – Risk management techniques	<a href="http://www.iso.org/iso/catalogue_detail?csnumber=51073">www.iso.org/iso/catalogue_detail?csnumber=51073</a>
ISO Guide 73:2009 - Risk management – Vocabulary	<a href="http://www.iso.org/iso/catalogue_detail?csnumber=44651">www.iso.org/iso/catalogue_detail?csnumber=44651</a>

*Supporting documents*

Name	Link
Enterprise Risk Management Plan	Internal document

*Change history*

Version	Approval date	Approved by	Min No	File No	Change
1	25 Nov 2008	Council	08/326	E06.0380	Policy commenced
2	22 Sept 2009	Council	09/369	E09.3418	Reviewed and updated
3	27 Aug 2013	Council	13/246	E13.7095 E06.0380	Review and updated to new policy template
4	09 May 2017	Council	17/120	E16.0297 E06.0380	Reviewed and updated at start of new Council term

*Internal use*

Responsible officer	Divisional Manager Governance and Information		Approved by	Council	
Minute	17/120	Report	GMR17/013	Effective date	09 May 2017
File	E06.0380 E16.0297	Review date	Sep 2020	Pages	6