

Doomadgee Aboriginal Shire Council Policy



Policy Name:	Risk Management Policy
Policy Number:	30
Policy Type:	Administrative
Link to Corporate Plan	Key Governance - Administration and Corporate Service
Date Approved:	Council Meeting 20 Feb 20
Resolution Number:	15 – 02/20
Approving Officer:	CEO

Section 1 - Introduction

Context

Council's philosophy towards risk is not to be unduly risk averse, but to enable risks to be identified, discussed, mitigated and monitored in a balanced manner.

Council is committed to establishing and integrating its risk management systems and processes to support this philosophy without creating an unnecessary burden on the business.

This policy sets out the processes, responsibility and accountability for risk management of the Doomadgee Aboriginal Shire Council. It recognises that risk management is a critical and integral part of good management and corporate governance practice and that, in relation to commercial strategy, an element of risk is inevitable and, in some cases, encouraged.

This policy supports a structured and focused approach to managing risk to complement the strategies adopted by Council to achieve its corporate objectives, to increase confidence and enhance the value the Council provides to its stakeholders.

Purpose

To adopt guidelines to implement a consistent and rigorous risk management framework, systems, processes, and controls throughout Doomadgee Aboriginal Shire Council operations.

Council will apply a risk management framework which will:

- Incorporate a consistent, systematic process to identify, analyse, mitigate and monitor the key strategic, operational, financial, environmental and compliance risks impacting on the Council;
- Align risk management with business objectives identified in Council's corporate and operational plans;
- Integrate and align existing risk systems to ensure no duplications or overlap;
- Ensure integration of information systems used for reporting on risk to enable aggregation and reporting at a corporate level;
- Allow the necessary controls and policies to be implemented to deliver an appropriate approach to governance and best practice; and
- Embed a culture of risk management throughout the Council.

Scope

This policy applies to all Doomadgee Aboriginal Shire Council's activities.

Section 2 – Policy

Principles

Council's risk management processes are based around the following key risk activities:



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Risk Identification: identify all reasonably foreseeable risks associated with its activities, using the agreed risk methodology detailed in the Council's risk protocols.

Risk Evaluation: evaluate those risks using the agreed Council criteria.

Risk Treatment and Mitigation: develop mitigation plans for risk areas where the residual risk is greater than our tolerable risk levels.

Risk Monitoring and Reporting: report risk management activities and risk specific information in accordance with the risk protocols.

Policy

Doomadgee Aboriginal Shire Council is committed to:

- Behaving as a responsible corporate citizen protecting employees, clients, contractors, visitors and the public from injury and unnecessary loss or damage;
- Achieving its business objectives by minimising or eliminating the impact of risks it can realistically control; and
- Creating an environment where all Council employees will take responsibility for managing risk (by developing and maintaining a strong risk management culture).

This policy is to be made available publicly on Council's website and to employees through the intranet.

Section 3 – Procedure

Roles and Responsibilities:

Council – adopts this policy and retains the ultimate responsibility for risk management and for determining the appropriate level of risk that it is willing to accept in the conduct of Council business activities. Council will regularly review the effectiveness of its risk management systems.

Chief Executive Officer - is responsible for identifying, evaluating and managing risk in accordance with this policy through a formal enterprise-wide risk management framework. Formal risk assessments must be performed at least once a year as part of the business planning and budgeting process. The CEO will report to Council annually on the progress made in implementing a sound system of risk management and internal compliance and control across Council's operations.

Executive Management Team - is responsible for the accuracy and validity of risk information reported to the Council. This includes the content of Council's risk register. In addition, it will ensure clear communication to employees of the Council's position on risk.

Governance Officer –The Governance Officer will conduct periodic reviews of the risk management framework in consultation with the Executive Management Team.

Senior Finance Officer: - will align the Strategic Internal Audit Plan with Council's risk profile in conjunction with Council's management, and subject to endorsement from the Audit Committee. Internal Audit will ensure that the results of its reviews are provided to Council's management for update of the Council's risk profile as appropriate.

Employees – are responsible for management of risks within their areas of responsibility as determined under any risk treatment plans.

Employees will be responsible for the timely completion of activities contained within these risk treatment plans. Awareness sessions will be conducted routinely to ensure that employees are familiar with risk management and how it is applied within XYZ Regional Council.

Council utilises several functions to monitor risk, including Internal Audit, to perform independent and objective monitoring over its risk areas, including if necessary, conducting reviews over Council's operations and risk areas by external agencies.

The scope of the work undertaken by all of these functions and the reviews by external agencies, will be considered in conjunction with Council's risk profile at least annually. This will assess the independent monitoring of key risk areas within Council's risk profile.

This Policy will be reviewed when any of the following evaluations occur:

- Audit reports relating to risk management activities being undertaken by Council indicate that a policy review from a legislative, compliance or governance perspective is justified.



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- Relevant legislation, regulations, standards and policies are amended or replaced.
- Other circumstances as determined from time to time by the Chief Executive officer or through a resolution of Council.

Notwithstanding the above, this policy and Council's risk management framework will be reviewed at least annually by Council's Executive Leadership Team to review their effectiveness and to ensure their continued application and relevance.

Section 4 – Reference and Supporting Information

Definitions

Risk - A risk to the business is any action or event that has an effect of uncertainty on objectives.

Risk also arises as much from the possibility that opportunities will not be realised as it does from the possibility that threats will materialise or that errors will be made.

Risk Management - refers to the culture, processes and structures developed to effectively manage potential opportunities and adverse effects for any activity, function or process undertaken by the Council.

Managing risk is achieved through the systematic application of policies, procedures and practices to identify, analyse, evaluate, treat, monitor and communicate risk.

Enterprise Risk Management (ERM) - encompasses all the major risk categories (including financial, environmental, health and safety, fraud, information technology, compliance, security and business continuity) and includes the co-ordination, integration, consolidation and consistency of reporting by the various Council functions with identified risks.

Supporting documentation

This policy is to be considered in conjunction with the Australian and New Zealand Standard AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines.

Links to supporting documentation	

Section 5 – Governance

Policy is governed by the following legislation

Name	Link
Local Government Regulation 2012	https://www.legislation.qld.gov.au/view/pdf/inforce/current/sl-2012-0236

Responsibility

Responsible Department:	CEO
Policy Administrator:	Corporate Services

Review

Review Period:	Annually
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Privacy Provision

Council respects and protects people's privacy and collects, stores, uses and discloses personal information responsibly and transparently when delivering Council services and business.



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Change History

Review Date	Revision Number	File Reference:	Approval Date	Change:	Date of Next Review
6/4/18	1		28/6/18	New Policy	6/4/2019
Jan 2020	2		Tbc	Template updated	Jan 2021