Policy Type	Corporate
Function	Governance
Policy Owner	Chief Executive Officer
Policy Contact	Director Corporate and Community Services
Effective Date	28 June 2022

Purpose

This policy outlines Council's commitment to the effective management of risks that may have an impact on the achievement of strategic priorities, operational goals and project objectives as defined in Council's Corporate and Operational Plans. This policy supports Council to meet the requirements of Sections 164 (1) (a) and (b) of the *Local Government Regulation 2012* regarding the requirement to keep a written record stating risks that local government's operations are exposed to, to the extent they are relevant to financial management; and the control measures adopted to manage risks. This policy also adheres to the AS ISO 31000:2018 *Risk Management - Guidelines.*

Scope

This policy applies to all areas and all levels of responsibility and activity across Council. This policy applies to Councillors, Management, and Workers. Key drivers for risk management include sound governance, legislative frameworks, good decision-making, environmental sustainability, financial sustainability and employee and public safety and wellbeing.

Objectives

The objectives of this policy are to:

- Embed a culture of risk management across the Council.
  - o Improve decision-making, accountability, and outcomes through the effective use of risk management.

- Contribute to the achievement of strategic priorities as specified in Council's Corporate Plan.
  - o Maintain and improve the reliability and quality of service provided by Burdekin Shire Council, within Council's controls and capabilities.
  - o Minimise or eliminate potential adverse impacts from Council's services or infrastructure on the community, visitors and the environment.
  - o Capitalise on opportunities identified for Burdekin Shire Council.
  - o Safeguard Council's employees, contractors, committees, volunteers, assets, financial sustainability, property, reputation and information.

- Enhance corporate governance by promoting a structured and systematic approach to Council's decision-making processes
  - o Promote a proactive approach to identifying, handling and monitoring emerging new risks and opportunities.

Principles

Risk Management is the creation and protection of value. It improves performance, encourages innovation, and supports Council in achieving its objectives. To achieve this Council has a responsibility and a commitment to:

- Apply a risk management framework which is consistent with the current Australian Standard *AS ISO 31000:2018 Risk Management – Guidelines*, for making decisions about how best to identify, assess and manage risk throughout all departments of Council.
- Evaluate identified risks and implement treatments progressively, based on the level of risk assessed and the effectiveness of the current treatments.
- Integrate risk management with existing planning and operational processes, including the Corporate Plan.
- Consider relevant legislative requirements and political, social and economic environments in managing risk.
- Ensure appropriate and timely involvement of all stakeholders to enable their knowledge, views and perceptions to be considered. This will result in improved awareness and informed risk management.
- Promote positive human behaviour and culture to significantly influence all aspects of risk management at each level and stage. This will ensure risk management is continually improved through learning and experience.
- Provide workers with the policies and procedures necessary to manage risk.
- Create a culture of risk awareness throughout the organisation through training, induction, promotion, risk review, and reporting mechanisms.
- Ensure resources and operational capabilities are identified and responsibility for managing risk is allocated.

Policy Statement

Council recognises that, as a public authority, it is exposed to a broad range of risks that, if not managed, could have an adverse impact on the ability of the organisation to achieve its strategic objectives.

Council will implement and maintain an Enterprise Risk Management Framework (ERM Framework) designed to identify and address areas of potential risk within Council. Any methodologies applied through the ERM Framework will be consistent with *AS ISO 31000:2018 Risk Management – Guidelines*.

Through this policy and the associated ERM Framework, Council will create an environment where consistent risk management practices are applied for the effective management of risks.

Roles and Responsibilities

Council, Chief Executive Officer & Senior Leadership Group

- Provide strong leadership and be visible role models;
- Lead by example – use a risk-based approach for decision-making;
- Build a transparent and dynamic risk and opportunity culture within the Council;
- Integrate risk and opportunities at all levels of the organisation and apply risk management principles to decision-making processes;
- Empower employees to be proactive in the management of risks and encourage active participation in the risk management process;
- Recognise "best-practice" risk management and investigate opportunities for improvement.

Risk Management Committee

- Oversee the implementation of the ERM Policy and Framework;
- Oversee the operation of Council's Risk Registers;
- Identify and address new risks as they arise;
- Provide advice and assurance to Council and the organisation on risk matters.

SLG (Senior Leadership Group) & SSG (Senior Supervisors Group) Members

- Ensure Risk Management practices and processes are applied in work areas and regularly reviewed and monitored;
- Undertake the responsibilities listed below for "All Workers".

All workers (including casual staff, contractors, and volunteers)

- Implement all agreed mitigation measures appropriately;
- Raise risks with supervisors or managers as appropriate;
- Maintain an awareness of current and potential risks and opportunities, particularly in their area of expertise and industry;
- Ensure that appropriate risk management reporting is undertaken in a timely manner.

Internal Audit

- Apply a risk-based approach to the development and delivery of the internal audit program;
- Identify gaps in risk identification, treatment or management and provide independent feedback to management on the effectiveness of risk treatments;
- Provide limited assurance to Council that agreed mitigation measures are fit for purpose and are implemented appropriately;
- Provide advice to employees on areas to improve risk management practices.

Audit Committee

- Receive regular Risk Management updates from management and provide assurance to Council regarding the appropriateness of risk management practices.

Legislation

Local Government Act 2009

Local Government Regulation 2012

Definitions and Abbreviations

Risk	is defined by the Australian Standard for Risk Management as "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 and threats. Objectives can have different aspects and categories and can be applied at different levels. Risk is usually expressed in terms of *risk sources*, potential *events*, their *consequences* and their *likelihood*.
Risk Management	is the coordinated activities to direct and control an organisation with regard to risk. Risk management for Council refers to the culture, processes and structures developed to effectively manage potential opportunities and adverse effects for any activity, function or process undertaken by 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	includes the coordination and integration of risk management across all of Council's business functions and activities. ERM allows for a consistent approach to be applied

to risk assessment, rating and treatment and provides for a consistent escalation plan for risks with certain risk ratings.

Worker
includes a direct employee of Council whether employed on a permanent, temporary, full-time, part-time or job share basis. For this Policy a worker also refers to contractors, sub-contractors, apprentices and trainees, work experience students and volunteers engaged to perform duties on behalf of Council.

Related Documents

Reference Number	Document Title
External document	AS ISO 31000:2018 Risk Management Guidelines

Document History and Version Control

Title of Document	Enterprise Risk Management Policy
Document Reference Number	GOV-POL-0012 Rev 2
Review Schedule	36 months
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