INTEGRATED RISK MANAGEMENT

Policy | Integrated Risk Management

To define Council's commitment to and objectives for the effective management of risk across the organisation

Policy No:	POL/9008	**Version:**	3
Service Unit:	Integrated Risk Management		
Responsible Officer:	Manager Integrated Risk		
Responsible Director:	Director Corporate & Community Services		
Authorisation Date:	19 November 2018	**Review Date:**	19 November 2020
Minute No:	197/18		

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1   Background

1.1   Title of the Policy and Commencement Date

The Integrated Risk Management Policy takes effect from 19 November 2018.

1.2   Purpose of the Policy

This policy is intended to define Council's objectives for and commitment to the effective management of risk across the organisation.

2   Objective

2.1   Objectives and Coverage of the Policy

Council will adopt a structured, consistent and holistic approach to the management of risk at all levels and for all business activities through the integration of business, Work Health & Safety and environmental risk management into a common framework. It is committed to incorporating risk management into critical processes and to managing risk consistent with ISO 31000:2018 Risk management – Guidelines; AS/NZS 4801:2001 Occupational Health & Safety Management Systems and AS/NZS ISO 14001:2016 Environmental Management Systems – Requirements with guidance for use.

Council recognises the social, economic and environmental importance of operating in a sustainable manner and continually improving performance. The principles of risk management require staff to make informed decisions based on best available information concerning the level and cost of risk and opportunity in achieving Council's objectives and delivering cost-effective services and infrastructure.

3   Application

3.1   Application of this Policy

The policy applies to all employees, councillors, volunteers and contractors of Council. Employees are accountable for the identification and management of risks in their area of responsibility and for the escalation of these risks to their supervisor or manager.

The Executive Leadership Team will monitor and review Council's risk management activities and performance.

4   Definitions

For the purposes of this policy:

Term	Meaning
Risk	Effect of uncertainty on objectives (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 with regard to risk
Risk appetite	Amount and type of risk that an organisation is willing to pursue or retain

Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity

5 Principles/Body

5.1 Procedural Statement

- Council acknowledges that risk is inherent in its business activities and the pursuit of its objectives. Sound risk management is essential to ensure the achievement of its strategic objectives as outlined in the Community Strategic Plan.

- Council will integrate a structured approach to the management of risk throughout the organisation in order to promote and demonstrate good corporate governance, to minimise loss and to maximise opportunities to improve service delivery.

- Risk management creates and protects value. Council will seek to comply with the principles of risk management as listed in ISO 31000:2018 Risk management – Guidelines, that is:

    a) Risk management is an integral part of all organisational activities.

    b) A structured and comprehensive approach to risk management contributes to consistent and comparable results.

    c) The risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.

    d) Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.

    e) Risks can emerge, change or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.

    f) The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.

    g) Human behaviour and culture significantly influence all aspects of risk management at each level and stage.

    h) Risk management is continually improved through learning and experience.

- Council has no appetite for risks which may compromise the safety and wellbeing of staff, the community, contractors and volunteers. Similarly, Council has no appetite for risks that cause significant and irreparable damage to the environment and seeks to preserve and enhance it for future generations.

- Council places great importance on compliance and has no appetite for any breaches in legal, regulatory and professional requirements.

- Council has little appetite for risks that may have a significant adverse impact on its long-term financial sustainability. However, Council encourages

entrepreneurship and has a moderate appetite for risks arising from economic and property development opportunities.

- While mindful that reputation risk is inherent in our business activities, we will take a cautious approach and not be constrained by reputation-related risk in pursuing innovation.

- Council has considerable appetite for improvements and innovation in service delivery, technology and the efficiency of our operations.

- To minimise the risk to staff, protect property and guard Council's reputation from events that may have a noticeable and detrimental impact on operations and service delivery, Council will identify and manage risks to business continuity.

- Council will create a risk aware culture by investing all employees with responsibility and accountability for the management of risk and encouraging participation and consultation. The culture will be supported by the effective communication of this policy, implementation of the Integrated Risk Management Communication Plan and inclusive training and awareness initiatives.

6   Relevant Legislation

[Please ensure all legislation is type in italics; both in this list and anywhere it is referenced in the policy. For example: This policy is to be made available for public viewing as required under the *Government Information (Public Access) 2009, NSW*].

- *Work Health and Safety Act 2011, NSW*
- *Civil Liability Act 2002, NSW*

7   Document Information

Related documents and reference information in this section provides a single reference point to develop and maintain site compliance information.

7.1   Related Documents

Related documents, listed in *Table 7-1* below, are internal documents directly related to or referenced from this document.

Number	Title
POL/1019	Internal Audit Policy
POL/6007	Fraud Prevention Policy
POL/1011	Code of Conduct
	WHS Statement of Commitment
18/76302	Integrated Risk Management Framework
17/77304	Business Continuity Plan
TBD	Environmental Management Policy

Table 7-1 – Related documents

8 Responsible Officer / Policy Owner

Ownership of this policy rests with the Manager Integrated Risk.

9 Responsibilities

Responsibilities and accountabilities for the development, implementation, recording, communication and review of Council's risk management system and activities are detailed in the Integrated Risk Management Framework.

Parties or Persons	Responsibilities
Executive Leadership Team	• Drive risk management across the organisation and to implement it in their respective areas of accountability • Demonstrate and articulate their continual commitment to risk management • Assign authorities, responsibilities and accountabilities for relevant roles with respect to risk management and communicate them to all levels of the organisation • Ensure allocation of appropriate resources for risk management
Leadership Team	• Demonstrate and articulate their continual commitment to risk management • Manage risk in their respective areas of accountability and responsibility • Support employees in identifying, managing, recording and communicating risk • Periodically measure the risk management framework performance against its purpose, implementation plans, indicators and expected behaviour
Integrated Risk Management Team	• Implement the Integrated Risk Management Framework • Develop and maintain risk management protocols, procedures, tools and training • Provide technical risk management support to the organisation • Continually improve the suitability, adequacy and effectiveness of the risk management framework and the way the risk management process is integrated
Employees	• Identify and manage risks in their areas of accountability • Communicate those risks to their manager or supervisor in accordance with the corrective action tables and risk escalation process • Act to ensure their own safety and the safety of others • Minimise environmental harm by preventing pollution and the degradation of ecosystems.
Business Continuity Management Team	• Manage critical incidents and business continuity

10   Approval

As per cover sheet.

11   Monitoring

This policy will be monitored by the Manager Integrated Risk to ensure compliance.

12   Review Date

This policy, once adopted, is to remain in force until it is reviewed by Council. This policy is to be reviewed approximately every two (2) years to ensure that it meets legislative requirements.

13   Last Review Date

This policy was last reviewed on 19 December 2016.

14   Record Keeping, Confidentiality and Privacy

This policy is to be made available for public viewing as required under the *Government Information (Public Access) 2009, NSW*.

15   Breaches and Sanctions

Any breaches of this Policy will be referred to the General Manager for appropriate action.