



Risk Management Policy

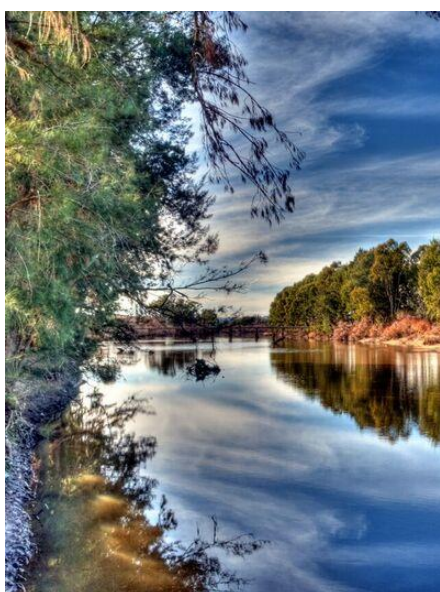




TABLE OF CONTENTS

TABLE OF CONTENTS.....	0
Document Control.....	1
Document History	1
1. INTRODUCTION	2
2. OBJECTIVE.....	2
3. APPLICABILITY.....	2
4. METHODOLOGY FOR MANAGING RISK	2
5. DEFINITIONS	3
6. FRAMEWORK FOR MANAGING RISK.....	3
7. RISK APPETITE.....	3
8. RISK GOVERNANCE.....	4
9. IMPLEMENTATION.....	5



Document Control

Policy	Risk Management Policy	Policy Number	TBA
Author/Reviewer	Executive Director Corporate & Community	Review Period and Date	Reviewed within 12 months of election/4 yearly - September

- This Policy shall be reviewed within 12 months of an election, and thereafter at intervals of no greater than four years. Any review will ensure this Policy continues to meet all statutory requirements and the operational needs of Hilltops Council. The Policy may also be reviewed at other times as determined by Hilltops Council.
- This Policy commences on and from the date of adoption by Hilltops Council as listed in the document history and replaces all previous versions.

Document History

Date	Status	Version	Resolution	Description
28/03/2018	Draft	0.1		Presented to Council for endorsement, public exhibition 28 days
28/03/2018	Draft	0.1	18/56	Endorse policy to be on public exhibition for 28 days
02/05/2018	Final	1.0	18/56	Adopted – expiry of 28 days public exhibition



1. INTRODUCTION

Local Government provides a wide range of facilities, services and opportunities for the community. In providing these items Hilltops Council (Council) accepts that it will encounter elements of risk that may be potentially either beneficial or detrimental in nature to achieving its objectives.

The purpose of this Policy is to embed the practice of risk management into the culture of Council, and to create a shared understanding of risk to enable informed decision-making.

As risk management is an integral part of good management practices and an essential element of good corporate governance, this policy formalises Council's commitment to incorporate the principles of risk management into all aspects of its business.

2. OBJECTIVE

Through the adoption and promotion of sound risk management practices, Council aims to:

- reduce the cost of risk that may be realised, including injury and property damage
- protect Council's assets, including people, property and financial assets
- reduce the cost of Insurance premiums
- protect the quality and continuity of Council's service delivery
- continually improve operational effectiveness, efficiency, performance and resilience
- increase the likelihood of achieving objectives

Council aims to achieve this through:

- fostering a risk aware culture amongst Council employees, contractors and volunteers so that risk management is seen as a positive attribute of decision-making
- creating an environment where staff assume responsibility for managing risks
- the development, implementation, management and maintenance of a risk management framework
- adopting an integrated approach to managing risk throughout all areas of Council's business operations to support the achievement of Council objectives

3. APPLICABILITY

Due to the nature of risk, this policy extends to all activities of Council and applies to all Councillors and Council employees, volunteers and contractors.

4. METHODOLOGY FOR MANAGING RISK

Council's methodology for managing risk is consistent with the international standard for Risk Management, AS/NZS ISO 31000 and related standards. Council also recognises the principles of the Committee of Sponsoring Organisations of the Treadway Commission - Enterprise Risk Management (COSO ERM).



5. DEFINITIONS

The definitions used within this policy are consistent with the risk terminology used by Council as part of its Risk Management Framework.

To encourage the consistent understanding and use of risk terminology Council has adopted the definitions of risk as contained in AS/NZS ISO 31000:2009 and ISO Guide 73:2009 (Risk Management Vocabulary). Any other risk terminology used, which is not aligned with ISO 31000:2009 or associated standards, will be clearly identified as being an exception.

Risk	Effect of uncertainty on objectives.
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.
Risk Attitude	Organisation's approach to assess and eventually pursue, retain, take or turn away from risk.
Risk Tolerance	Organisation's or stakeholder's readiness to bear the risk, after risk treatment, in order to achieve its objectives.

6. FRAMEWORK FOR MANAGING RISK

Council aims to develop, implement, manage and maintain a risk management framework. The framework provides a set of components providing the foundations and organisational arrangements for implementing, monitoring, reviewing and continually improving risk management to achieve strategic, operational and project objectives. The framework consists of the following elements:

- Risk Management Policy: statement of Hilltops Council's overall intentions and direction related to the management of risks.
- Risk architecture: plan which specifies the roles, responsibilities, communication and risk reporting structure.
- Risk protocols: guidelines which incorporate the rules, procedures, methodologies, tools and techniques, including risk appetite/risk criteria – organisational appropriate likelihood and consequence descriptors.
- Risk toolkit: procedures, approach, forms and templates.
- Risk Register.

7. RISK APPETITE

Council provides an extensive and diverse range of services. In providing these services Council accepts and takes on a level of risk. However, as a public authority Council has a predisposition towards a naturally conservative attitude towards risk. The level of acceptable risk is assessed and determined on a case by case basis.



In undertaking the provision of services and management of assets, Council has a low tolerance for any risk that:

- affects the financial sustainability of Council;
- arises from non-compliance of legislation resulting in litigation;
- impacts negatively on the environment resulting in long-term or irreparable environmental damage;
- compromises employee or public safety; or
- disrupts the delivery of critical Council services.

8. RISK GOVERNANCE

Councillors	<p>'As members of the governing body responsible for deciding the direction of council, councillors are responsible for determining the amount of risk exposure that the council is prepared to take¹.'</p> <p>Ultimately, Councillors are responsible for understanding and considering risks within their decision-making process as part of a robust system of good governance.</p>
General Manager	<p>Overall responsibility for leadership in developing an organisational culture for managing risks and ensuring that a risk management system is established, implemented and maintained in accordance with this policy.</p> <p>Responsible for understanding and considering risks within the decision-making process.</p>
Directors	<p>Ensuring staff compliance with this policy and fostering a culture where risks can be identified and escalated as required.</p> <p>Responsible for understanding and considering risks within the decision-making process.</p>
All Employees	<p>All staff have responsibilities for 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.</p>
Audit and Risk Improvement Committee	<p>Provides independent and objective assurance as to Council's overall system of risk management, including internal controls.</p>
Risk Officer	<p>Develop, implement and maintain Council's adopted risk management framework, and assist with the development of a risk aware culture through the facilitation of risk management.</p>

¹ Councillor Handbook 2017 p. 30



9. IMPLEMENTATION

Council is committed to ensuring that a strong risk management culture exists and to developing and maintaining an approach to risk management that meets the objectives of this policy. This includes:

- The allocation of sufficient funding and resources to risk management activities.
- Providing Councillors and staff with appropriate training.
- Assigning clear responsibilities and authorities to Councillors and staff at all levels for managing risk.
- Embedding key controls to manage business risks.
- The promotion of honest and ethical behaviour when considering risk as a means of encouraging accountability and transparency in decision-making.