BANANA SHIRE COUNCIL

Policy

TITLE	**RISK MANAGEMENT POLICY**
POLICY NUMBER	**90**
COUNCIL FUNCTION	**ADMINISTRATION, EXECUTIVE AND GOVERNANCE**
RESPONSIBLE DEPARTMENT	**EXECUTIVE**
LEGISLATION	***Local Government Act 2009***
ADOPTED	**26/07/2017 Ordinary Meeting – Minute No.OM003836**
REVIEWED/AMENDED	**25/10/17 Ordinary Meeting – Minute OM003908**
NEXT REVIEW DUE	**2021**

SCOPE

This policy covers all Council risk including those that might be classed as strategic and operational risks as well as those that impact on the financial, technical, compliance or relationship processes of Council.

OBJECTIVE

The objectives of this policy to promote the implementation of risk principles in a way that supports the:

- identification and management of risk in accordance with legislative requirements;
- recording, analysis and action relating to perceived and real risk;
- use of appropriate risk treatments that balance real risk against cost of managing risk.

are to:

- ➢ Clearly articulate Council's commitment to effectively manage risk.
- ➢ Highlight the significance and importance of risk management as an ongoing process underpinning all activities of Council
- ➢ Ensure that risks are adequately identified within Council and treatment plans are developed and implemented
- ➢ Ensure appropriate oversight of the risk management program by Council' Executive Management Team
- ➢ Ensure appropriate risk management reporting within Council, and
- ➢ Meet the requirements of relevant legislation and standards.

DEFINITIONS

Council

Banana Shire Council

Risk

'The effect of uncertainty on objectives' Australian Standard AS/NZS ISO 31000:2009 i.e. the chance that an event will occur that will impact upon Council's objectives. It is measured in terms of likelihood and consequences.

A risk to the business of Council is any action or event that has the potential to impact, positively or negatively, on the achievement of Council's business objectives.

Risk 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.

There are 3 primary levels of risk recognised by Council.

- o **Corporate Risk** – Risks to the whole of Council as an organisation. **(high level strategic risks)**
- o **Departmental Risk** – Risks to each department and its main functions
- o **Project Risk** – Risk to a project.

Risk Management

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 Council.

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

Risk should be assessed and managed at all levels of Council.

Risk Management Framework

The Risk Management Framework determines the accountability and authority for managing risk. It also specifies the responsibility for implementing the risk management process.

POLICY

Statement

Risk Management will be achieved through:
- Identifying and recording risks in a risk register;
- Assessing risks using a recognised risk assessment tool;
- Preparing and implementing risk management activities;
- Ensuring Council staff understand risk and can identify and assess risks that apply to their work activities;
- Reviewing risk on a regular basis.

Principles

The following principles are to be applied to ensure that Council's objectives are achieved.

- Council will determine which risks it is prepared to accept and those it will apply risk treatments to mitigate, reduce or remove the risk;
- Risk will be managed taking into consideration the available funds that can be applied by Council;
- The highest level risks will be managed before lower level risks;
- Risk Management will become part of the day to day operations of Council.

Commitment

Council will:

- ensure risk management is an integral part of all its decision-making processes;
- use a structured risk management framework to minimise reasonably foreseeable disruptions to the provision of services, harm to people and damage to the environment and property;
- identify and take advantage of opportunities as well as minimising adverse effects;
- train its staff to implement risk management effectively;
- strive to continually improve our risk management practices;
- develop a risk management framework that determines the accountability and authority for managing risk in the workplace.

PROCEDURE

Procedures as approved and issued by the Chief Executive Officer and subject to further revision, amendment and issue under the authority of the Chief Executive Officer.

CERTIFICATION

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CHIEF EXECUTIVE OFFICER
BANANA SHIRE COUNCIL

20.11.17
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DATE