

Risk Management Policy

Reference number: POL 079
Approval date: 28 February 2018
Policy owner: Manager Governance and Risk
Next review: October 2021

Risk is defined as the effect of uncertainty on objectives, and this uncertainty can have financial, operational, environmental and/or reputational consequences. It can be positive, negative or both, and can address, create or result in opportunities and threats.

Wagga Wagga City Council understands that large, unmitigated risks can adversely impact its stakeholders and its ability to achieve its strategic, operational, financial and regulatory objectives and meet the needs and expectations of its community, including service delivery. However, Council will accept risk in order to achieve or exceed its objectives, provided there is an understanding of those risks and they are managed as required.

Council recognises that whilst risk is inherent in all its activities, the management of that risk is an integral part of good management practice and fully supports risk management as a central element in its Good Governance Framework. Therefore, all Wagga Wagga City Council departments and operations will adopt a risk management approach consistent with Risk Management – Guidelines AS ISO 31000:2018 AS/NZS ISO 31000:2009 in their planning, approval, review and control processes.

Risk management is a systematic process that involves establishing the context of risk management, identifying risks, analysing risks, evaluating risks, treating risks, periodic monitoring and communication. Risk management does not eliminate all risk. The application of risk management thinking, principles and practices aims to help Council deliver quality services, improve decision making, set priorities for competing demands/resources, minimise the impact of adversity and loss, ensure regulatory compliance and support the achievement of Council's objectives.

Council is committed to the formal, systematic and proactive management of risks.

The purpose of this policy is to establish and communicate Council's approach for managing enterprise wide risks and to establish clear objectives to ensure that all Councillors, Committee members, management, staff, contractors and volunteers are aware of and responsible for the management of risk which will allow Council to maximise opportunities and minimise negative outcomes.

Purpose

Effective risk management is critical to ensuring the delivery of Council's strategic and operational objectives and the health and safety of Councillors, employees, contractors, service providers/service partners and volunteers, community members and visitors and also the operation and security of Council's assets.

This Policy establishes the foundation for a consistent, proactive and measurable approach to effective risk management across all Council assets, operations and strategies. Implementation of this Policy will encourage the identification, analysis and treatment of potential risks, facilitate the safe, efficient and effective delivery of Council services and objectives, and promote and protect Council's reputation as a professional, responsible and ethical organisation.

Wagga Wagga City Council aims to:

- Maintain the highest possible integrity for services it provides;
- Safeguard its assets, including people, property and financial resources;
- Create an environment where all Councillors, Committee members, employees, contractors and volunteers ~~assume~~undertake responsibility for managing risk;
- Establish a formal, structured risk management framework that is appropriate to Council's activities and operating environment;
- Adopt a risk management approach consistent with the principles of Australian and New Zealand risk management standard Risk Management – Guidelines AS ISO 31000:2018 ~~AS/NZS ISO:31000:2009~~ whereby risks are identified, analysed, evaluated, treated, monitored and communicated;
- Maintain a register of identified risks applying to Council;
- Establish and ~~as necessary~~ review Council's risk appetite, as necessary;
- Review Council's risk management framework through periodic reviews;
- Involve Councillors, management, staff and key service providers in Council's risk management process, as appropriate;
- Establish mechanisms to appropriately deal with risk; and;
- Demonstrate transparent and responsible risk management processes aligned with accepted best practice standards and methods.

Scope

This policy applies to all Councillors, Committee members, ~~management~~, staff, contractors and volunteers across all Council activities and processes. Risk management is the responsibility of all Council staff and

Within each specialist area, all staff are responsible for applying the risk framework to -identify, assess, communicate and mitigate risks.

Council is committed to using formal risk management practices as part of effectively undertaking its operations and consistent with the risk management principles identified in the current risk management standard AS/NZS ISO 31000.

The Policy is enacted through the Risk Management Framework, including roles and responsibilities and also includes the Risk Management Plan and various management system processes and procedures.

Risk Appetite

Wagga Wagga City Council supports creativity and innovation by aligning it with an active approach to risk management, balancing its exposure to risk against the expected benefit to the community in accordance with the Community Strategic Plan – Wagga View 2040.

In considering its approach to risk, Wagga Wagga City Council's appetite increases for risks that seek to continually improve the services we provide and the way we do business, without compromising integrity. In particular:

Financial Risk

Council encourages innovation and has a medium appetite for risks where a positive benefit or return to the community can be anticipated or demonstrated.

Governance and Compliance Risk

Council has a low appetite for compliance breaches, or a lack of transparency and integrity. While minor breaches may occur from time to time due to inadvertent human error and the complexity of our organisation, acts of internal fraud, corruption, collusion or theft will not be tolerated.

Community and Reputational Risk

Council has a medium appetite for risks that improve our ability to meet customer expectations.

Environmental Risk

Council is committed to the principles of ecologically sustainable development and has a low appetite for risks that result in significant and irreparable damage to the environment.

Service Delivery Risk

Council has a medium appetite for risks that improve operational efficiency and service delivery.

Health and Safety Risk

Council has no appetite for risks that compromise the health and safety of staff, volunteers, contractors and/or members of the public and will seek to mitigate such risks as far as reasonably practicable.

Policy Provisions

Wagga Wagga City Council is committed to ensuring a strong risk management culture exists and will undertake a range of activities to help promote and embed enterprise wide risk management practices by:

- managing risk based on [Risk Management – Guidelines AS ISO 31000:2018 AS/NZS-ISO 31000:2009 Risk Management](#) and other relevant guidelines and standards;
- maintaining policies that complement risk management such as fraud prevention, business continuity management, WHS management systems, good governance and code of conduct [awareness and implementation](#);
- aligning risk management to Council's existing planning and operational processes;

- allocating sufficient funding to risk management activities;
- providing Councillors and staff with sufficient and appropriate training;
- including risk management responsibilities in job descriptions and staff performance appraisals;
- discussing risk management issues and incidents at team meetings;
- including risk management information and updates in Council reports and ~~on Council intranet/internet sites;~~through internal communications;
- Updating its Risk Management Plan annually;
- Making informed judgements concerning the level and cost of risks involved in achieving cost-effective outcomes; and
- Maintaining a risk management component in its project management methodology.

Council supports the ~~following~~ principles ~~as listed in~~within Risk Management – Guidelines AS ISO 31000:2018~~AS/NZS ISO 31000:2009~~ and expanded as follows:

- **Integrated**

Risk management is an integral part of all organisational activities.

Risk management is not a stand-alone activity that is separate from the main activities and processes of Council. Risk management is part of the responsibilities of management and an integral part of all Council's processes, including strategic planning and all project and change management processes. Risk management helps decision makers make informed choices, prioritise actions and distinguish among alternative courses of action.

- **Structured and comprehensive**

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

- **Customised**

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

- **Inclusive**

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

- **Dynamic**

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

- **Best available information**

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.

- **Human and cultural factors**

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

- **Continual improvement**

Risk management is continually improved through learning and experience.

Council will, therefore, develop and implement strategies to improve their risk management maturity alongside all other aspects of Council.

~~Risk management creates and protects value~~

~~Risk management contributes to the demonstrable achievement of objectives and improvement of performance in, for example, human health and safety, security, legal and regulatory compliance, community acceptance, environmental protection, product and service quality, project management, efficiency in operations, governance and reputation.~~

Risk management is an integral part of all Council processes

Risk management is not a stand-alone activity that is separate from the main activities and processes of Council. Risk management is part of the responsibilities of management and an integral part of all Council's processes, including strategic planning and all project and change management processes.

- **Risk management is a part of decision-making**

Risk management helps decision makers make informed choices, prioritise actions and distinguish among alternative courses of action.

- **Risk management explicitly addresses uncertainty**

Risk management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed.

- **Risk management is systematic, structured and timely**

A systematic, timely and structured approach to risk management contributes to efficiency and consistent, comparable and reliable results.

- **Risk management is based on the best available information**

The inputs to the processes of managing risk are based on information sources such as historical data, experience, stakeholder feedback, observation, forecasts and expert judgement. However decision makers should inform themselves of, and should take into account, any limitations of the data or modelling used or the possibility of divergence among experts.

- **Risk management is tailored**

Risk management is aligned with Council's external and internal context and risk profile.

- **Risk management takes human and cultural factors into account**

Risk management recognises the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of Council's objectives.

- **Risk management is transparent and inclusive**

Appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of Council, provides that risk management remains relevant and up-to-date. Involvement also allows stakeholders to be properly represented and to have their views taken into account in determining risk criteria.

- **Risk management is dynamic, iterative and responsive to change**

Risk management continually senses and responds to change. As internal and external events occur, context and knowledge change, monitoring and review of risks takes place, new risks emerge, some change and others disappear.

- ~~Risk management facilitates continual improvement of Council~~

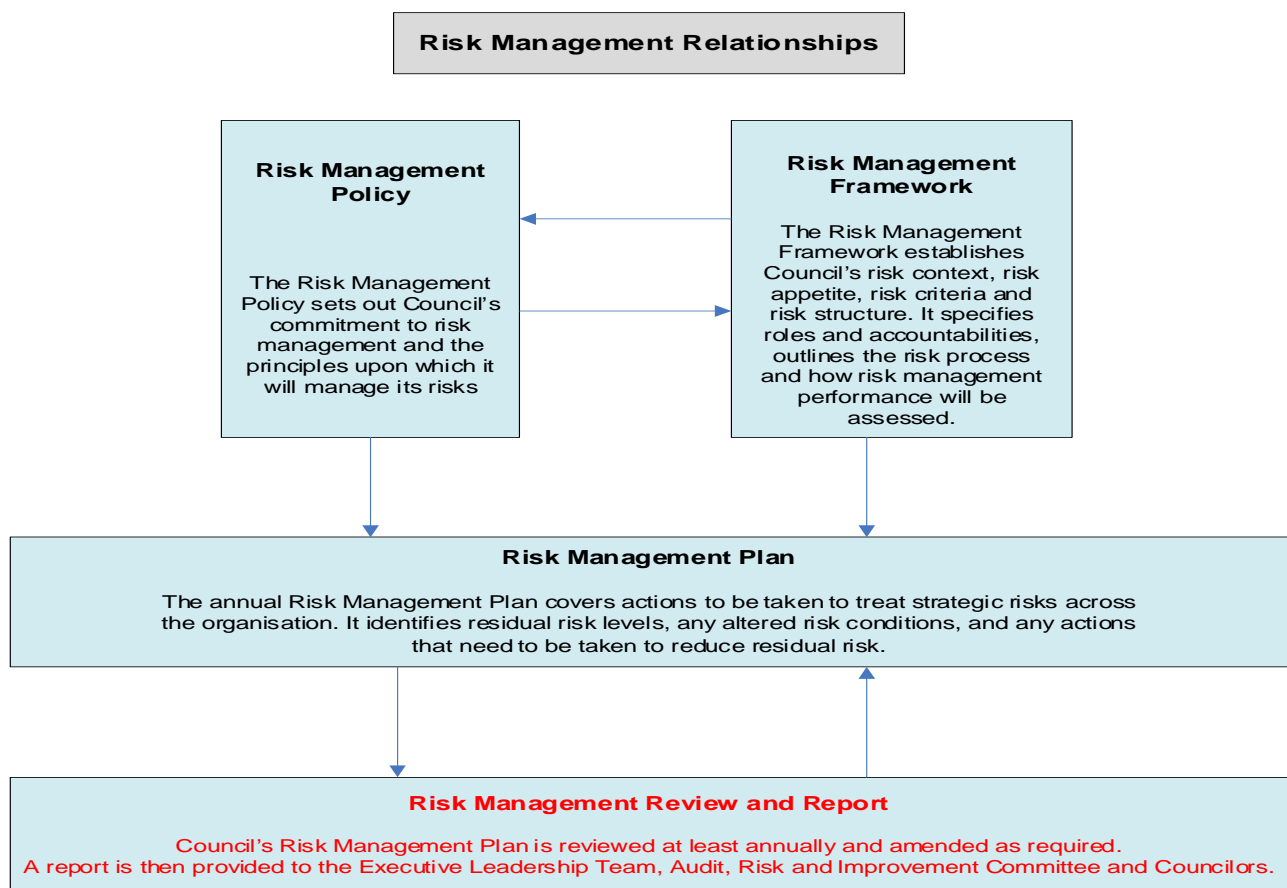
~~Council will develop and implement strategies to improve their risk management maturity alongside all other aspects of Council.~~

- ~~Risk management is the responsibility of all Council staff~~

~~Within each specialist area, all staff are responsible for applying the risk framework to identify, assess, communicate and mitigate risks.~~

Policy Implementation Guidelines

This policy will be implemented through Council's *Risk Management Framework* and annual *Risk Management Plan* as shown below:



Legislative Context

- Local Government Act 1993 [\(NSW\)](#)

Related Documents

- Community Strategic Plan – Wagga View 2040
- Council's Delivery Program and Operational Plan
- Risk Management Framework
- Risk Management Plan
- Good Governance Framework
- Code of Conduct
- POL 080 Work Health and Safety Policy
- POL 081 Business Continuity Policy
- POL 100 Fraud and Corruption Prevention Policy
- POL 101 Legislative Compliance Policy
- Local Emergency Management Plan
- Business Continuity Plan

Definitions

Term	Definition
Risk	Effect of uncertainty on objectives
Risk appetite	The amount and type of risk an organisation is prepared to pursue or take
Risk management	Coordinated activities to direct and control an organisation with regard to risk
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation
Risk Management Policy	Statement of the overall intention and direction of Council related to risk management
Risk Management Plan	Plan that establishes Council's risk profile for each year, including strategies intended to reduce identified risks

Revision History

Revision number	Council resolution	Council meeting date
1	Res No: 1217/02	28 October 2002
2	Res No: 70/03	28 January 2003
3	Res No: 62/04	27 January 2004
4	Res No: 243/04	23 August 2004
5	Res No: 09/077	27 July 2009

6	Res No: 11/314.2	12 December 2011
7	Res No: 13/224.1	26 August 2013
8	Res No: 15/339.14	23 November 2015
9	Res No: 17/279	28 August 2017
10	Res No: 18/060	26 February 2018