

**RISK MANAGEMENT POLICY**

Controlled Document

GDS Category: Governance

Public Document: **YES**

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Version: 7

Review Date: September 2017

1. POLICY OBJECTIVES

The purpose of this policy is to establish the systems and processes required to ensure the Whyalla City Council achieves an organisational risk management ethos and an operating culture which involves the integration of systematic risk management processes into all management activities; both at a strategic and operational level. Council seeks to implement AS/NZS ISO Standard 31000:2009 Risk Management – Principles and Guidelines.

The management of risk is recognised as an integral part of good management practice and is an essential component of good corporate governance. Effective identification, assessment, management and communication of risks is critical to the successful achievement of Council Strategic Plan's outcomes and objectives.

2. SCOPE

The policy is applicable to the organisation at large, integrating operational, project management, strategic planning and in the decision-making of Council and Council Committees.

3. RISK MANAGEMENT

Risk Management is an important obligation the Whyalla City Council takes very seriously and pro-actively manages.

In the delivery of its services, the Whyalla City Council is very aware that there may be risks to which its Elected Members, employees, the community and stakeholders may be exposed.

The Council has a Risk Management Policy and a number of relevant procedures as well as a Risk Management Framework all of which are available for viewing at www.whyalla.sa.gov.au.

In the implementation of its policy development and review, records management and document control systems, all Elected Members, employees, contractors and other stakeholders are encouraged to consider applicable perceived risks and, if necessary, communicate these to the Chief Executive Officer if in doubt.



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4. DEFINITIONS

For the purposes of this policy document, the following terms and definitions apply:

4.1 Risk – effect of uncertainty on objectives

- An effect is a deviation from the expected – positive and / or negative.
- Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product and process).
- Risk is often characterised by reference to potential events and consequences or a combination of these.
- Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.

4.2 Risk Management – co-ordinated activities to direct and control an organisation with regard to risk.

4.3 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 Council organisation.

- Foundations include policy, objectives, mandate and commitment to manage risk.
- The organisational arrangements include plans, relationships, accountabilities, resources, processes and activities.
- The Risk Management Framework is embedded within the organisation's overall strategic and operational policies and practices.

4.4 Risk Management Policy – statement of the overall intentions and direction of an organisation related to risk management.

4.5 Risk Management Process – systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

4.6 Risk Assessment – overall process of risk identification, risk analysis, and risk evaluation.



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4.7 Risk Identification – process of finding, recognising and describing risks.

- Involves identification of risk sources, events, their causes and their potential consequences.
- Can involve historical data, theoretical analysis, informed and expert opinions and stakeholder needs.

4.8 Risk Source – element which alone or in combination has the intrinsic potential to give rise to risk.

- A risk source can be tangible or intangible.

4.9 Risk profile – description of any set of risks.

- The set can contain those that relate to the whole organisation, part of the organisation, or as otherwise defined.

5. POLICY STATEMENT

The City of Whyalla is committed to a policy of Risk Management to protect its Elected Members, employees, stakeholders, assets, liabilities and community against potential losses through the minimisation of uncertainty and the maximisation of opportunities to achieve its strategic vision and plan.

In recognising this commitment, Council will undertake to identify strengths, weaknesses, opportunities and threats and implement processes that maximise the potential and minimise any deficiencies within these areas.

Council aims to:

- provide the community with a range of services, facilities and expertise in an efficient and responsible manner, which meets the needs of its communities;
- provide a safer environment for the general public and employees;
- reduce liability exposure;
- provide cost savings on claims and improvement in productivity; and
- apply risk management strategies to all parts of our day to day business activities, based on AS/NZS ISO 31000:2009 – Risk Management – Principles and guidelines.

Risk management is the responsibility of the Elected Members, all employees and participants of non employment relationship programs.



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The Whyalla City Council adopts the following Risk Appetite:

- *Extreme Risk* – report to Chief Executive Officer. Look at short-term and long-term options.
- *High Risk* – mitigate or remove (Executive Management Team action).
- *Moderate Risk* – assessed and mitigated as required or no further action.
- *Low Risk* – manage by routine procedures or accepted with no further action.

6. DOCUMENTATION

- AS/NZS ISO 31000:2009 - Risk Management – Principles and Guidelines
- Strategic Risk Management Framework
- Umbrella (should this be part of the framework in revised form)
- Strategic Risk Assessment Matrix
- Risk Assessment Procedure Risk Assessment Matrix

7. RESPONSIBLE PERSON

- 7.1 Elected Members, Chief Executive Officer and Group Managers for enforcement and implementation.
- 7.2 Group Manager Finance and Corporate for timely review / revision of policy.

8. AUTHORITY

- Endorsed by Executive Management Team – August 2015
- Endorsed by Audit Committee – 14 September 2015
- Adopted by Council – 21 September 2015

9. HISTORY

The current Version 6 supersedes the earlier Version 5 adopted by Council on 21 November 2011 and references the new AS/NZS ISO Standard 31000:2009.

Version 5 adopted by Council on 16 July 2006