

Policy 6.03 Risk Management

Directorate	Business and Governance
Responsible Officer	Director Business and Governance

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Record of Administrative Amendments

Amendment Version No.:	Description of Administrative Amendment	Date Reviewed
<u>6.3</u>	<u>Review of policy in accordance with Section 165 of the Local Government Act 1993</u> <u>Placed on Public Exhibition 23 July 2025</u>	<u>July 2025</u>
6.2	<u>Review of policy in accordance with Section 165 of the Local Government Act 1993</u> <u>Workshopped with Councillors on 30 April 2025</u>	<u>11/04/2025</u>

Amendment Version No.:	Description of Administrative Amendment	Date Reviewed
6.1	Administrative update to reflect new placement of Legal Services Procedure (to be 6.03.02)	15/5/2024
6.0	Adopted by council (D22/110363)	16/11/2022

1 Introduction

1.1 Scope

Risk is the effect of uncertainty on achieving objectives. Council is committed to managing risk on a systematic, organisation wide basis consistent with ISO 31000 (the risk management standard). This approach will create sustainable value by both minimising risks to the achievement of our objectives and by identifying potential opportunities. By committing to manage risks appropriately, council will enhance its ability to make better decisions, safeguard assets and provide better services to our community. This policy applies to all employees, councillors, contractors and volunteers in relation to council's activities and outlines the expectations and processes for managing risk.

The scope of this policy demonstrates direct commitment to the following strategic guiding principles:

- Accountable | provide clear roles and responsibilities for risk management to support robust performance management based on proactive risk identification and mitigation. Engage with stakeholders to promote transparency and accountability for decisions based on risk management
- Financially Sustainable | risk management practices promote investment that is cost-effective and sustainable. Engage with the community and stakeholders to communicate risk management practices that demonstrate financial sustainability goals
- Transparent | clearly outline risk management decision-making processes, keeping stakeholders informed about risk management activities and outcomes, and commit to open communication about risks and how they are being managed
- Responsive | we are proactive in identifying emerging risks, improve our capacity to adapt to changes, and share timely information about risks and risk management approaches to deliver our strategies and plans
- Equitable and Inclusive | we consider the diverse needs of our community in risk management practices, build trust and respect through collaboration and communication to ensure risk management practices inform equitable and inclusive delivery of assets and services
- Effective and Efficient | Continuously improve risk management processes, ensure a clear connection between risk management policies and their implementation, and strengthen capability and partnerships with our stakeholders

1.2 Purpose

The purpose of this policy is to promote an integrated, holistic approach to risk management and to ensure all risks that could affect the achievement of council's objectives are identified, assessed, and treated to an acceptable level.

The Risk Management Framework is used to support our strategic and operational processes resulting in the organisation making informed decisions for the benefit of council and the community.

1.3 Objectives

The key objectives of council's risk management approach are to:

- Develop and embed a culture of effective risk management through systematic and integrative mitigation of risks.
- Proactively manage and mitigate risk as an essential part of how council conducts any undertaking.
- Embrace opportunities that lead to organisational improvements.
- Provide the business with appropriate tools to support risk decision making and management reporting with mechanisms for employees to assess, prioritise, manage and monitor risks in a consistent and effective manner
- Facilitate the achievement of strategic, operational and project objectives and priorities by reducing threats and maximising opportunities
- Provide assurances that risks are being managed effectively.

1.4 Definitions

Word or Terminology	Description
Communication and consultation	Continual and iterative processes that an organisation conducts to provide, share or obtain information and to engage in dialogue with stakeholders regarding the management of risk
Consequences	Outcome of an event affecting the objectives
Control	Measure that maintains or modifies severity of risk consequences
Establishing the context	Defining the external and internal parameters to consider when managing risk
Likelihood	Chance of something happening
Risk	Effect of uncertainty on objectives
Risk analysis	Process to assess the nature of risk and determine the level of risk exposure
Risk assessment	Overall process of risk identification, risk analysis and risk evaluation
Risk evaluation	Process of comparing the results of risk analysis with established criteria to determine where additional action is required
Risk identification	Process of finding, recognising and describing risks

Word or Terminology	Description
Risk management	Coordinated activities to direct and control an organisation with requirement 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 process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk
Risk treatment	Risk treatment is an iterative process of modifying the severity of a risk by selecting risk improvement options, developing plans to manage risks, assessing the effectiveness of risk treatment and deciding whether the remaining risk is acceptable and if not, taking further actions to better manage the risk identified
Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity
Reference: AS/NZS ISO 31000:2018 Risk management - Principles and guidelines	

2 Legislation

- Local Government Act 1993
- ISO 31000 – Risk Management Guidelines

3 Implementation

3.1 Policy Statement

Risk management creates and protects value by contributing to the achievement of objectives and improvement of business performance. Specifically, the following risk management principles inform how council will manage risk:

- **Integrated:** At Council risk management is considered an integral part of organisational processes and activities
- **Structured & Comprehensive:** Risk management at council is systematic, structured, and timely, contributing to efficient, consistent, comparable, and reliable results
- **Customised:** Councils risk management framework and processes are tailored to address the external and internal context of our operating environment
- **Inclusive:** The risk management approach at council will ensure that all key stakeholders are considered in decision making enabling a diversity of knowledge and perspectives to be considered, improving how we address risk

- **Dynamic:** Council understands the risks we address can emerge, change, or disappear as our external and internal context evolves. We aim to anticipate and respond effectively to our dynamic operating environment
- **Best available information:** Risk management at council is based on the best available information and the inputs to the process of managing risk are based on multiple information sources (such as historical data, experience, stakeholder feedback, observation, forecasts, and expert judgement)
- **Human & Cultural Factors:** Risk management takes human and cultural factors into account recognising human behaviours and culture can significantly influence the achievement of councils aims
- **Continual Improvement:** Risk management at council must be continually assessed and improved by identifying, developing, and implementing strategies to improve risk management through learning and experience. This is supported by participation in strategic alliances and cooperatives to promote and improve risk management maturity.

3.2 Responsibilities

Managing risk requires leadership, commitment, and accountability. Clear lines of for managing risks have been established across council and are summarised below:

3.2.1 Elected Council

Councillors are responsible for ensuring strategic planning and organisational operations are managed in accordance with the risk management framework.

3.2.2 Chief Executive Officer (CEO), Leadership Executive Group (LEG)

The Chief Executive Officer and Directors are accountable for the implementation and maintenance of risk management systems, policies and processes across the organisation.

They are responsible for raising awareness, building capability and leading the culture of managing risk responsibly and for identifying and managing strategic and enterprise risks.

3.2.3 Managers and coordinators

Managers and coordinators are accountable for implementing the risk management practices within their area of responsibility. This includes ensuring the discipline of risk management is consistent with council's processes and risks are identified, managed, reviewed, and updated regularly.

3.2.4 All employees

All employees are responsible for applying risk management practices in their day-to-day council activities and systemically identifying, analysing, evaluating, treating, and reporting and monitoring risks and opportunities appropriately.

4 Supporting documents

4.1 BVSC Procedures that relate to this Policy

Procedure No.:	Procedure Name	External or Internal Procedure
6.03.01	Enterprise Risk Management	Internal
6.03.02	Legal Services Process	Internal
6.03.03	Insurance Coverage and Management of Claims	Internal
6.03.04	Signs as remote supervision	Internal
6.03.05	Internal Audit	Internal
6.03.09	Event Risk Management	Internal

4.2 BVSC Policies that Relate to this Policy

Policy No.:	Policy Name
6.01	Governance
6.05	Work Health & Safety
6.18	Fraud & Corruption Prevention Policy

Note: Policy details may change from time to time. To ensure you are viewing the most recent version please view Council's adopted Policies and Procedures on Council's website.