


## COUNCIL POLICY

Risk Management	Adopted By Council:	20/02/01	
	Date/s Revised:	<del>Dec</del> 2022 May 2026	
	27/10/04, 7/06/09, 16/12/09, 18/10/11, 30/01/13; 29/04/15; 13/12/18; 23/06/2021; 14/12/2022		
	Next Review Date:	<del>Dec</del> 2025 May 2029	
	Document No:	CP017	
	Directorate:	Finance & <del>Corporate</del> ICT Services	
	Responsible Officer:	Manager Finance & <del>Corporate</del> ICT Services	

### Purpose

The Risk Management Policy outlines Council's commitment to managing risks. It sets ~~Council's~~Council's risk management objectives. It also defines how responsibility for managing risks is distributed among Councillors, officers and committees of the organisation- and is essential to fulfilling its stewardship obligations. The policy is enacted through the Risk Management Framework and various management system processes and procedures.

### Scope

The Borough of Queenscliffe requires the development and provision of an effective risk management framework to mitigate potential negative outcomes and to better realise improvement opportunities and sustainable work practices in the organisation's operations. The Borough applies the risk management process as part of its strategic planning to facilitate more effective problem solving, decision making and service delivery.

The Borough:

- fosters a risk management culture because it is an integral part of good management practice and decision making;
- creates and maintains a risk management environment that enables Council to deliver high quality services and meet performance objectives in line with the Council Plan;
- ensures resources and operational capabilities are identified and deployed responsibly and effectively. Resources include staffing for risk management related work areas, reliable secure computer-based systems, documentation, tools and access to external risk management specialists; and
- demonstrates the application of the risk management process of identifying, analysing, evaluating and treating risks, as detailed in the Borough's Risk Management Framework based on the Risk Management Standard, AS/NZS ISO 31000:2018.

### Policy

The Borough's policy is that all work areas operate within the Risk Management Framework, which provides an effective process for the identification, analysis and management of risk impacting Council's

operations. This ensures sustainable delivery of services and amenities enjoyed by ratepayers, residents and visitors. to the Borough.

### **Risk appetite**

Risk appetite is the amount of risk exposure, or potential adverse impact from an event, that the Borough of Queenscliffe is willing to accept in pursuit of its objectives despite best efforts to avoid or mitigate. Once the risk appetite threshold has been breached, risk management controls and actions are required to bring the exposure level back within the accepted range. The Council's risk appetite for each main risk category identified in the Borough of Queenscliffe, Risk Management Framework is summarised below.

No.	Risk Category	Risk Appetite	Risk Appetite (maximum tolerable risk level despite best efforts to avoid or mitigate) <u>Description</u>
		<b>Rating*</b>	<b>Description</b>
1	Financial	<del>Moderate</del> Low to moderate	<u>Willing to consider options that are most likely to support the long-term financial sustainability of Council, while maintaining an appropriate and reasonable level of protection against high-risk exposures. <del>Moderate</del> financial losses (less than \$200,000)</u>
2	Service ( <del>including other</del> <u>than</u> ICT)	Low to moderate	<u>Medium term disruption in standard <del>Accept only options that pose little or broad</del> no risk of disruptions to essential services (maximum one financial year) to the community.</u>
3	Information and Communication Technology (ICT) Service	Low	<u>Accept only options that pose little or no risk to systems, hardware and connectivity failures or information and security breaches.</u>
4	Safety, Health and Wellbeing (including social)	Low	<u>Minor incidents or injuries that occur in undertaking normal business activities <del>Accept only options that pose little or no risk for compromising the safety, health and wellbeing of staff, contractors, volunteers or members of our community.</del></u>
5	Legislative (compliance)	Low	<u>Minor breach of regulations. Minor fine or legal costs. Minor litigation. <del>Accept only options that pose little or no risk for any breaches in statute, regulation, professional standards, data and information security, fraud, corruption or proven ethical complaints. Council wishes to maintain accreditations related to standards of operation and has a low appetite for risk relating to actions that may put accreditations in jeopardy.</del></u>
6	Natural Environmental**	Low	<u>Minor environmental harm with no ongoing damage. <del>Accept only options that pose little or no risk to that could cause significant and irreparable damage to the environment. Council ensures that potential environmental impacts are considered as part of its development approval process and activities.</del></u>
7	Built Environment	Low	<u>Accept only options that pose little or no risk that may compromise the condition, heritage value, or</u>

No.	Risk Category	Risk Appetite	Risk Appetite (maximum tolerable risk level despite best efforts to avoid or mitigate) <u>Description</u>
			<u>long-term sustainability of built assets, and prioritises actions that uphold statutory heritage protections and community expectations.</u>

\*Risk Level is determined based on the Risk Assessment Matrices identified in the Risk Management Framework.

\*\*Though the low-risk appetite is identified for environmental risk, the Council acknowledges that regional, national and global level actions are required to bring the exposure level of some environmental risk items within the accepted range.

The actions that Council will undertake in response to a specific risk rating against the risk appetite is detailed in the table below:

Risk rating	Minimum treatment required	Description
<b>Extreme risk</b>	Avoid or mitigate immediately	Immediate action required to either avoid the risk entirely or to reduce the risk to a <u>low, moderate or high rating lower and acceptable level</u>
<b>High risk</b>	Mitigate	<del>These risks need to be mitigated with actions as</del> Action is required to reduce the risk, and clear responsibilities <del>need to</del> must be assigned <del>these risks for</del> implementing and monitoring controls.
<b>Moderate risk</b>	Accept or further mitigate	<u>Consider options that support achieving Council's objectives while maintaining a reasonable level of protection against higher-risk exposures /</u> Manage by specific monitoring or response procedures
<b>Low risk</b>	Accept	<u>Prefer the safest practicable option /</u> Manage by routine procedures

### Our approach

The Borough of Queenscliffe's Risk Management Framework, which is developed based on the Risk Management Standard, AS/NZS ISO 31000:2018, is the cornerstone of Council's risk management process. This Framework results in the following responsibilities.

1. Council (Councillors collectively) is responsible for ensuring that an effective Risk Management Framework is in place.

2. The Audit and Risk Committee is responsible for reviewing management's approach to risk, particularly risks associated with the core activities of Council. The Committee also reviews Council's overall risk management plan, ensures that periodic assessments are undertaken, control measures are established, and their effectiveness is monitored and reviewed. The Committee will report outcomes of reviews and make recommendations to Council twice a year in a report (Biannual Activity Report) tabled at an Ordinary Council meeting. The Chief Executive Officer (CEO) has the ultimate responsibility for ensuring that risk is managed across the Council. The CEO will ~~inform the mayor~~ immediately notify the Mayor and the Chair of the Audit and Risk Committee of any ~~new~~newly identified extreme or high risk ~~identified..~~
3. The Management Team is responsible for ensuring that risk management is integrated into all operational activities, and demonstrating leadership and commitment to good risk management practices. Each Manager is responsible to establish and maintain an operational risk register for their directorate.
4. The (internal) Risk and Governance Committee is responsible for communicating and promoting an active risk management culture at Council and overseeing the adequacy and effectiveness of Council's risk management framework by monitoring, identifying and managing known and emerging key strategic and operational risks.
5. The Risk Officer is the custodian of Council's risk management framework and risk management policy (risk management documentation). The Risk Officer establishes and maintains the strategic risk register of the organisation.
6. All employees and service providers are responsible for applying risk management practices in their area of work and ensuring that the Borough's management team is aware of all types of risks associated with Council's operations. This extends to recommending suitable plans to manage risks and obtaining appropriate approval prior to action.
7. The Internal Auditor appointed by Council is responsible for developing and conducting the internal audit plan, program and reviews across all operations. This includes the review of relevant risks across the business as identified in the corporate risk register and other documentation and assessing new risks as they may emerge through an audit. The Internal Auditor reports on findings and makes recommendations to management and the Audit and Risk Committee.

## CONTINUOUS IMPROVEMENT

This policy will be reviewed on a continuous basis, but as a minimum every three years from the date of adoption.

## REFERENCES

Borough of Queenscliffe Risk Management Framework  
Risk Management Standard, AS/NZS ISO 31000:2018

END