

	<p style="text-align: center;"><b><i>Risk Management Policy</i></b> Policy No. RSKPOL 01</p>	Version No:	2
		Responsible Officer/s:	Strategy & Governance Coordinator
		Classification:	Council
		Issued:	1 August 2016
		Next Review:	1 April 2025

## 1. Purpose

- 1.1. District Council of Grant (the Council) recognises that effective management of risk will support successful achievement of its vision and strategic objectives.
- 1.2. The purpose of the Risk Management Policy (the Policy) is to enable an integrated and systematic approach to risk management by:
  - Proactively managing Council's achievement of strategic objectives;
  - Articulating Council's commitment to core risk management objectives; and
  - Supporting the implementation and maintenance of a Risk Management Framework (the "Framework") that comprises the tools and processes that underpin the organisation's risk management approach.

## 2. Policy Statement

- 2.1. The management of risk will be integrated into governance and leadership structures, including decision-making at all levels.
- 2.2. Council is committed to developing and maintaining structured and comprehensive risk management processes that are dynamic and based on best available information, consistent with the Australian Standard AS ISO31000:2018 – Risk Management Guidelines.
- 2.3. Engagement with employees and stakeholders is integral to the success of risk management processes and, as such, structures to facilitate consultation and communication will be developed and maintained.
- 2.4. Council will identify, monitor and review its strategic, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

## 3. Definitions

Definitions are outlined within the Framework (Risk Management Framework RSKPR01).

## 4. Performance Measures

The performance of the risk management program will be measured through the following performance indicators:

- a) Compliance with Council's endorsed Policy and Framework,
- b) Tangible improvement in Council's Risk Maturity (including evidence of risk-based decisions),
- c) Achievement of strategic objectives without adverse effect.

## 5. Legislative requirement and policy context

The Risk Framework assists Council to meet its legislative obligations under various Acts and Regulations, in particular the Local Government Act 1999 ('LG Act'):

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- 5.1. Section 48 of the LG Act requires Councils to identify risks associated with a project and take steps to manage, reduce or eliminate those risks, (including by provision of periodic reports to the CEO and to the Audit & Risk Committee.)
- 5.2. Section 125 of the LG Act requires Council to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.
- 5.3. Section 126 of the LG Act requires Council to establish an Audit and Risk Committee to review financial statements, review strategic management plans, monitor responsiveness to risk assessments, review adequacy of internal controls and liaise with Council's external auditor.
- 5.4. Section 132A of the LG Act requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.

## 6. Risk Appetite Statement

Council acknowledges that there is significant risk in taking no risks at all (being unreasonably risk-averse); organisations must take calculated risks to realise opportunity, but they evaluate and treat risks accordingly to do so successfully.

Council's risk appetite is based on the following four categories, and is assessed before and after treatments are applied to the risk.

AVOID	RESISTANT	ACCEPT	RECEPTIVE
(little-to-no appetite)	(small appetite)	(medium appetite)	(larger appetite)
Avoidance of adverse exposure to risks even when outcome benefits are higher	A general preference for safer options with only small amounts of adverse exposure	Options selected based on outcome delivery with a reasonable degree of protection	Engagement with risks based more on outcome benefits than potential exposure

The District Council of Grant will pursue strategic objectives in the following circumstances:

<b>Financial &amp; Accounting</b>	<i>Resistant &gt; Accept</i>  As a general position Council will be <b>Resistant</b> to taking risks in its financial and accounting activities to achieve its objectives and will seek to operate within the parameters of its long term financial plan. Council will, however, increase its risk appetite to <b>Accept</b> potential risks that have insignificant consequences, in order	<u>Will pursue:</u> <ul style="list-style-type: none"> <li>Strong financial management – Council appetite seeks to optimise financial sustainability through the preparation of long term financial plans, annual budget and business plan and a conservative approach to financing and investing. New loans are</li> </ul>
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	to ensure achievement of its strategic objectives.	<p>always subject to Council approval.</p> <ul style="list-style-type: none"> <li>Contractor/Supplier risk – Council is willing to accept the risk of working with contracted third parties and also pursue shared services for core business activities.</li> <li>Grants – Council appetite seeks to maximise opportunities for external grant funding including fully funded opportunities, co-funded not exceeding 50% or less than 50% grant contribution for activities and projects which are already approved for expenditure via a budget process speculative up to \$50,000 in accordance with policy.</li> </ul>
<b>People</b>	<p><i>Avoid &gt; Resistant</i></p> <p>In consideration of Council's commitment to its staff, stakeholders and the wider community, it will seek to <b>Avoid</b> putting the health, safety or wellbeing of any person at risk.</p> <p>In some very specific circumstances, (such as in response to emergencies or unforeseen events,) Council's appetite for taking risk in this category will be less conservative, however Council will remain <b>Resistant</b> to risk and will require reasonable protections to be in place for the ongoing wellbeing and resilience of Council staff and the community.</p>	<p><u>Will not pursue:</u></p> <ul style="list-style-type: none"> <li>Safety Risk – Council is not willing to accept unmitigated risk that could result in significant injury or loss of life. Council may undertake high risk activities such as construction where it is satisfied that robust risk assessment and risk control mitigation are in place, monitored and reviewed.</li> </ul>
<b>Service Delivery</b>	<p><i>Accept &gt; Receptive</i></p> <p>Council is willing to <b>Accept</b> appropriate levels of risk with regard to the delivery of services, provided that the focus remains on our values of integrity, transparency, accountability, respect, commitment to community, good governance, innovation, fairness and equity and safety and that delivery of critical services are maintained.</p> <p>However, Council recognises that it is unlikely to achieve all of its strategic objectives without some degree of innovation and, in some circumstances, will be <b>Receptive</b> to risks relating to provision of services where there are</p>	<p><u>Will pursue:</u></p> <ul style="list-style-type: none"> <li>Strategic goals – Council has an appetite to pursue strategic drivers as approved by Council and consulted on in our strategic plans. The appetite to pursue strategic objectives is relevant to overall risk appetite for strong financial management, business continuity, safety etc.</li> </ul> <p><u>Will not pursue:</u></p> <ul style="list-style-type: none"> <li>Business Continuity Risks – Council is not willing to accept risks which compromise our ability to</li> </ul>

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	demonstrable long-term benefits to our community.	<p>operate critical services for sustained periods of time.</p> <ul style="list-style-type: none"> <li>Reputational Risk – Council does not accept any sustained negative impact on reputation with groups of key stakeholders and will only tolerate minor negative media coverage, no impact on employees and no sustained political relationship impacts.</li> </ul>
<b>Infrastructure</b>	<p><i>Accept &gt; Receptive</i></p> <p>As a general position Council will <b>Accept</b> risk relating to its infrastructure and assets, provided that compliance with Australian or industry standards and legislative compliance can be met. However, Council will consider all options with regard to the use of new technology and materials and innovative work methods in this area and will be <b>Receptive</b> to taking risks where the potential benefits warrant the risk exposure.</p>	<p><u>Will pursue:</u></p> <ul style="list-style-type: none"> <li>High value and high-risk infrastructure projects are pursued following extensive community consultation and optimal integrational financing considerations i.e. attributing long-term infrastructure to long-term debt and/or via co-funded Grant arrangements.</li> </ul>
<b>Legal &amp; Compliance</b>	<p><i>Avoid &gt; Resistant</i></p> <p>Council is cognisant of the fact that the legal and regulatory environment requires solid compliance, good governance and constant monitoring. As such, Council is cautious with regard to its legal and regulatory activities and will seek to <b>Avoid</b> risk exposures in this area. However, in specific circumstances, Council may consider a more <b>Resistant</b> appetite for legal and compliance risk, provided that any non-compliance is inconsequential with no harm to people.</p>	<p><u>Will pursue:</u></p> <ul style="list-style-type: none"> <li>Council will obey the spirit and the letter of the laws and regulations which apply to us.</li> </ul>
<b>Community Health &amp; Wellbeing</b>	<p><i>Resistant &gt; Accept</i></p> <p>Council recognises that there are other agencies and organisations with responsibility for public health but is <b>Resistant</b> to taking risks in this area and will seek at all times act to put community wellbeing first. Nevertheless, Council will at times <b>Accept</b> risks in order to achieve the best possible outcomes for the broader community.</p>	<p><u>Will pursue:</u></p> <ul style="list-style-type: none"> <li>Community Programs - Council has an appetite to assist community clubs to improve community outcomes, services and opportunities via its Community Grants program recognising that community groups provide opportunities to maximise efficient delivery of Council's strategic objectives.</li> </ul>

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<b>Information Technology (IT)</b>	<i>Resistant &gt; Accept</i>  Council has a <b>Resistant</b> appetite for risks relating to security of its corporate information, ICT infrastructure, support systems and cyber security. As such, Council is cautious with regard to this area. However, recognising that risks are inherent in adopting and adapting to new technologies and innovations, Council will <b>Accept</b> risk relating to information technology, particularly in improving efficiencies and engaging with its stakeholders.	<u>Will pursue:</u> <ul style="list-style-type: none"> <li>Council appetite seeks to optimise IT capability and efficiency, including shared capability arrangements, cloud and virtual hosting and new technologies where their 'efficiency or security' payback can be demonstrated within a period not exceeding 5 years.</li> </ul>
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## 7. Risk Tolerance Statement

For each risk category, District Council of Grant tolerates any risk that has a revised risk rating of moderate or low and will elect to further action/mitigate these risks only if:

- the benefit exceeds the cost or resource allocation;
- there is a specific need; or
- it is in the public interest.

Risks which fall outside the scope of the above tolerance may be accepted as appropriate by informed consent and the consideration process will be documented appropriately.

## 8. Roles and responsibilities

Roles and responsibilities are outlined within the Framework (Risk Management Framework RSKPR01).

## 9. References / Other Documents

### 9.1. Legislation

*Local Government Act 1999*

*Work Health and Safety Act 2012*

*Civil Liabilities Act 1936*

*State Records Act 1997*

### 9.2. Council Policies / Procedures

Risk Management Procedure RSKPR01

### 9.3. Other

AS ISO 31000:2018 Risk Management - Guidelines

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LGAMLS Scheme Rules as gazetted July 2020

## 10. Review

This Policy shall be reviewed by the District Council of Grant at a minimum, once within every two (2) year period (or on significant change to legislation or other matters which could affect this policy).

Action	Date	Minute Reference
Adopted by Council	1 August 2016	16096.3
Amended	4 May 2023	Audit & Risk Committee
Endorsed	15 May 2023	23095