



Policy

RISK MANAGEMENT

Responsible Officer: GENERAL MANAGER

Date Adopted: 18 September 2018

Review Date: 18 September 2021

1. Purpose

- 1.1 The aim of this Policy is to describe King Island Council's (Council) commitment to and its objectives around managing risk. It explains who has responsibility for managing risk throughout the organisation and outlines the risk management process.
- 1.2 This policy is enacted through the Risk Management Strategy incorporating the Risk Management Framework and various other management systems processes and procedures.
- 1.3 Council acknowledges the moral, legal and financial responsibility that is inherent in managing risk and opportunities across its operations. This policy will ensure the efficient and ethical use of resources and services used by rate-payers, residents, employees and other persons at the workplace and visitors.

2. Scope

- 2.1 Council requires the development and implementation of an effective risk management framework, that outlines the process to ensure risk is appropriately managed throughout the organisation. Council applies a risk management process to improve the effectiveness of its strategic and operational planning; enhance its decision making; determining risk appetite and organisation resilience; and to provide a clear audit trail.
- 2.2 Council will develop and maintain a risk culture that enables it to apply risk management methodologies to meet its performance objectives and deliver high quality services. Resources should be identified and deployed where appropriate to provide the required organisational capabilities including staffing, training, documentation, software, tools, and access to external risk management specialists.
- 2.3 This policy applies to all employees and other persons at the workplace, and all current and future activities of the organisation.



3. Policy

3.1 RELATED DOCUMENTS

This policy is to be read in conjunction with the following documents:

- (i) Risk Management Strategy
 - (ii) Strategic Plan 2019-2029
 - (iii) Asset Management Policy
 - (iv) Asset Management Strategy
 - (v) Council's Long-Term Financial Plan 2018-2028
 - (vi) King Island Municipal Emergency Management Plan
 - (vii) King Island Council Business Continuity Plan
 - (viii) Workplace Health and Safety Policy and Commitment
- 3.2** Council will develop and utilise a Risk Management Framework that will be implemented across all work areas to provide an effective process for the identification, analysis, evaluation, treatment, monitoring and review, as well the communication and consultation of risk at all levels throughout the organisation.
- 3.3** The Risk Management Framework and Process shall comply with Council's requirements under the *Local Government Act 1993 (Tas)*, the *International Risk Management Standard AS / NZS ISO 31000*, and the *Work Health and Safety Act 2012* and accompanying regulations.
- 3.4** Appropriate risk assessments will be completed to enhance strategic and operational planning for activities at Council, at department and project level and to ensure, as far as reasonably practical, that opportunities and threats are identified and managed.
- 3.5** Risks and their associated management will be documented and maintained in risk registers at Council, at department and project levels including risk context, inherent and residual risk ratings, risk evaluation and details of additional risk treatment where appropriate. Monitoring, reporting and review requirements will also be included.
- 3.6** Council's risk appetite will be clearly articulated across key areas of the organisation whilst recognising the changing dynamics of the organisation's environment in an attempt to understand the associated uncertainty and drivers of risk. Preventative and mitigating controls will be developed to bring risk levels within the risk appetite. Once the risk appetite threshold has been breached, actions and responsibilities will be detailed to limit the impact and bring the exposure level back within accepted range.



3.7 The elected members of Council have responsibility for ensuring that risk is managed across the organisation. Day to day management of the process is delegated to the General Manager who will allocate appropriate resources and report to Council regularly as detailed in the Risk Management Plan.

3.8 A Risk Management Committee will be established, with a dedicated charter, to oversee and monitor Council's risk management policies and processes.

3.9 TRAINING

Council will provide all persons covered by this Policy with appropriate training so they are made aware of their responsibilities and obligations under the Policy.

3.10 AMENDMENT

Council retains the sole discretion to vary, terminate or replace this Policy from time to time. Council will consult before amendments are made and will notify and train those the amendments apply to.



4. Legislation, Terminology and References

Applicable legislation:

All laws in connection with managing risk in the carrying out of work or in Council's Workplace including but not limited to:

- *Fair Work Act 2009* (Cth)
- *Local Government Act 1993* (TAS)
- *Work Health & Safety Act 2012* (TAS)
- *Work Health & Safety Regulations 2012* (TAS)
- *International Risk Management Standard AS / NZS ISO 31000*

Definitions	
<u>Term</u>	<u>Meaning</u>
Council	King Island Council
Councillor	An elected member of Council known as a Councillor or Alderman or otherwise meeting the definition of a 'councillor' as defined under section 3 of the <i>Local Government Act 1993</i> (TAS)
Employee	A person who carries out work for Council as an employee of Council.
General Manager	The general manager of Council as appointed under section 61 of the <i>Local Government Act 1993</i> (TAS).
Infringing Workplace Behaviour	Any act or omission, which amounts to a breach of any Council policy, contractual obligation or misconduct at common law.
Manager/Supervisor	A person at the Workplace who is appointed to a position that has management/supervisory responsibilities for others or their appropriately nominated or authorised delegate.
Other Persons at the Workplace	A person, other than a Councillor, who carries out work in any capacity for Council, including work as: <ul style="list-style-type: none"> (a) a contractor or subcontractor; (b) an employee of a contractor or subcontractor; (c) an employee of a labour hire company who has been assigned to work at Council; (d) an apprentice or trainee; (e) a student gaining work experience; or (f) a volunteer.
Policy	This Risk Management Policy.
Risk	is the effect of uncertainty on strategic and operational objectives. It is the possibility that something might go wrong and have a negative impact on the organisation.



Risk Management	is the systematic application of management policies, procedures and practices to the task of establishing the context, identifying, and analysing, evaluating, treating, monitoring and communicating risk.
Risk Framework	describes the tools and processes that we adopt to operationalise the Risk Management Policy including: <ul style="list-style-type: none"> (i) Risk Management Process – a high level overview of the key processes to manage risk (ii) Risk Measurement Criteria – defines the likelihood and impacts used to measure risks and defines control effectiveness. (iii) Risk Appetite Statement - articulates the amount of risk that the Board is willing to take in pursuit of its objectives.
Risk Appetite	is the amount and type of risk an organisation is willing to retain in the pursuit of strategic objectives.
Workplace	A place where work is carried out for Council.

References:

Responsible Officer:	General Manager
Policy first adopted by the Council:	21/01/03 Original Policy Adopted – Res No: 31/03
History	
C167 Risk Management	20/05/14 Policy Revised & Amended – Res No: 111/2014
Risk Management Policy	18/9/18 Policy Adopted Res No: 171/18
Policy Rescinded:	C167 Risk Management
Next Review Date:	18 September 2022 (every four years in line with legislative requirements)

