

## 1. Policy intent

- 1.1.1 Tablelands Regional Council (TRC) recognises that it is exposed to a broad range of risks which, if not managed, could adversely impact on Council's ability to achieve its strategic goals, deliver on its initiatives and services in a financially sustainable manner and maximise opportunities for continuous improvement. Council will implement a risk management methodology to identify and where beyond the established risk tolerance level, to address and take action to mitigate such risks. The methodology will be consistent with *AS/NZS ISO 31000:2009 Risk Management Standard*.
- 1.1.2 This policy applies to all Councillors and staff of the Tablelands Regional Council who are involved in the identification and management of all risks associated with the performance of Council's functions and the delivery of Council services.
- 1.1.3 Contractors, committees and volunteers engaged in the provision of Council services, or the management of Council facilities and assets are also required to comply with this policy.

## 2. Objectives

- 2.1 The objectives of this policy are to:
- a. Provide a structured process to be applied across TRC for identifying, quantifying and predicting the impact of risks, such process meeting legislative and Australian Standards and aligning to the achievement of TRC's Corporate Plans
  - b. Clarify the roles, responsibilities and accountabilities of Councillors, Staff Contractors, committee members and volunteers with respect to the management of risk
  - c. Apply a classification process that identifies acceptable and/or unacceptable risks / tolerance levels
  - d. Maintain Risk Registers for:
  - e. Long-term Strategic Risks
  - f. Corporate Risks
  - g. Operational Risks
  - h. Facilitate the development and implementation of Risk Treatment Plans and regular review schedules
  - i. Provide training in risk management principles, policy and procedure for all involved
- 2.2 The achievement of these objectives will:
- a. Minimise the "surprise" element in undertaking Council-related activities
  - b. Improve governance and decision making
  - c. Contribute to better planning, including contingency planning
  - d. Avoid foreseeable threats and loss
  - e. Identify opportunities for improvement
  - f. Optimise the use of resources and organisational capabilities

## 3. Principles

The following principles will guide the achievement of the Policy Objectives:

- 3.1 An emphasis on proactive rather than reactive risk management
- 3.2 The application of a consistent, complimentary framework that is integrated with other relevant processes and systems, including Councils long-term goals and objectives for the community
- 3.3 An alignment with the current International Risk Management Standard AS/NZS ISO 31000:2009
- 3.4 Compliance with Section 164(1) of the *Local Government Regulation 2012*
- 3.5 Appropriate allocation of resources to achieve Policy Objectives

## 4. Policy definitions

### **Risk**

A risk to Council is any action or event that has the potential to impact on the achievement of Council's objectives. Risk also arises as much from the possibility that opportunities will not be realised as it does from the possibility that threats will materialise or that errors will be made.

### **Risk Management**

Risk Management is the process of identifying, analyzing and responding to risk factors (those factors that may potentially cause loss, damage or injury) prior to and throughout:

1. the delivery of a strategy
2. delivery of services / events
3. the life of a project
4. management of safety and other compliance issues

Effective risk management implies control of possible, foreseeable future events and is proactive rather than reactive. Managing risk is achieved through the systematic application of policies, procedures and practices to identify, analyse, evaluate, treat, monitor and communicate risk.

### **Enterprise Risk Management (ERM)**

Enterprise risk management encompasses all the major risk categories (Long-term Strategic Risks, Corporate Risks and Operational Risks) including but not limited to customer service, asset utilisation, financial, environmental, health and safety, fraud, information technology, compliance, human resources, security and business continuity) and includes the co-ordination, integration, consolidation and consistency of reporting by the various Council functions with responsibility for managing identified risks.

### **Risk Register**

A list of identified and assessed risks, tolerance levels, accompanying mitigation strategies if applicable and review dates.

## 5. Risk framework components

TRC's Enterprise Risk Framework consists of:

- 5.1 An alignment with Councils Corporate Plans and long-term Strategies
- 5.2 Establishment of clear responsibilities and accountability for the management of risk
- 5.3 Identification and evaluation of Inherent Risks
- 5.4 Establishment of Tolerable Risk levels
- 5.5 The development and implementation of Mitigation Plans and Treatments, where risk is intolerable,
- 5.6 A review and re-evaluation of Residual Risks
- 5.7 Capitalising on opportunities for improvement
- 5.8 The recording and reporting of risks in Risk Registers or otherwise as required.

## 6. Policy evaluation process

This Policy will be reviewed when any of the following occur:

- 6.1 Audit reports relating to risk management activities indicate that a policy review is justified.
- 6.2 Relevant legislation, regulations, or standards are amended or replaced.
- 6.3 Other circumstances as determined from time to time by the Deputy Chief Executive Officer or through a resolution of Council.
- 6.4 At least annually.

## 7. Risk policy disclosure

This policy is to be made available publicly on Council's website.

## 8. Responsibilities

### 8.1 Councillors

Councillors have a broad responsibility under the *Local Government Act 2009* and Regulations which includes the principle of good governance. This in turn includes the responsibility to manage risks prudently and ensure council staff are able to supply all information necessary for effective decision making.

## 8.2 Executive and other Managers

Management have a responsibility to:

- 8.2.1 determine the strategic direction and create an environment for risk management to operate effectively
- 8.2.2 maintain a risk aware culture within the organisation through advocacy, leadership and mandate
- 8.2.3 ensure the risk management objectives are achieved
- 8.2.4 ensure the availability of resources and information necessary to support the operation and monitoring of the risk processes
- 8.2.5 implement Council's risk management process including risk identification, risk tolerance, assessment and treatment of inherent and subsequently residual risk in their respective Departments
- 8.2.6 capitalise on opportunity for improvements that arise as a result of risk identification
- 8.2.7 maintain the relevant risk registers
- 8.2.8 report regularly on risks, which includes the level of risk, treatment and management of these risks
- 8.2.9 ensure all staff are aware of the risk management policy and that relevant staff receive risk specific training to effectively implement risk management principles and processes.
- 8.2.10 measure the effectiveness of the risk management process.

## 8.3 Senior Advisor Governance

Senior Advisor Governance has a responsibility to:

- 8.3.1 provide specific advice and support for those employees responsible for managing risk and for specifying all risk management training within Council
- 8.3.2 review and further develop risk management processes, ensuring a consistent corporate approach is taken in the management of risk across Council
- 8.3.3 report quarterly to ELT and six monthly to the Audit Committee on risk management performance
- 8.3.4 institute the timely review of the policy.

## 8.4 Council Officers, Contractors and Volunteers

Council Officers, Contractors and Volunteers have a responsibility to:

- 8.4.1 apply Council's Risk Management Framework, Policy and practices to manage operational risks and implement plans for the prudent management and mitigation of risks within their own area of responsibility.
- 8.4.2 Follow and adopt lawful directions with respect to the collation and application of risk treatments and mitigation, including that of SafePlan

8.4.3 provide risk treatment information as required to the Senior Advisor Governance.

## 8.5 Audit Committee

Audit Committee has a responsibility to:

- 8.5.1 provide on-going advice and feedback to the Deputy CEO on strategic issues and support a commitment to and the implementation of the Enterprise Risk Management Framework across Council, including the establishment of risk tolerance levels
- 8.5.2 contribute to the review of processes ensuring a consistent corporate approach is taken in the management of risk across Council
- 8.5.3 promote good risk management practices throughout Council.
- 8.5.4 ensure internal audit plans are aligned to data and information arising from risk assessments
- 8.5.5 review Risk Registers on a periodical basis and advise on the adequacy of control measures
- 8.5.6 receive, consider and action Risk Management Reports from Management and/or Senior Advisor Governance.

## 9. Responsibility

Council is responsible for the adoption, amendment and repeal of the Policy and the Chief Executive Officer is responsible for the development and amendment of any associated procedures and guidelines relevant to the Policy.

## 10. Review

It is the responsibility of the Deputy Chief Executive Officer to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed every three years or as required by Council.

This Policy is to remain in force until otherwise amended/repealed by resolution of Council.

This Policy repeals the former Tablelands Regional Council Policy titled "Enterprise Risk Management Policy" adopted 7 July 2010.

**JUSTIN COMMONS**  
**CHIEF EXECUTIVE OFFICER**