

Governance & Compliance

Risk Management

Objective

The objective of this Policy is to state the Shire of Koorda's ("the Shire's") intention to identify potential risks before they occur so that impacts can be minimised or opportunities realised; ensuring that the Shire achieves its strategic and corporate objectives efficiently, effectively and within good corporate governance principles.

Policy

Definitions

TERM	DEFINITION
Risk	Effect of uncertainty on objectives. <i>Note 1: An effect is a deviation from the expected – positive or negative.</i> <i>Note 2: Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).</i>
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Policy Statement

It is the Shire's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2018 Risk management – Guidelines), in the management of all risks that may affect the Shire meeting its objectives.

Risk management functions will be resourced appropriately to match the size and scale of the Shire's operations and will form part of the Strategic, Operational, and Project responsibilities and be incorporated within the Shire's Integrated Planning Framework.

This policy applies to Council Members, the Executive Management team and all employees and contractors involved in any Shire operations.

Policy Details

The following points provide detail on the objective specifics:

- Aligns with and assists the implementation of all Shire policies.
- Optimises the achievement of the Shire's vision, mission, strategies, goals and objectives.
- Provides transparent and formal oversight of the risk and control environment enabling effective decision-making.
- Enhances risk versus return within the Shire's risk appetite.
- Embeds appropriate and effective controls to mitigate risk.
- Achieves effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
- Enhances organisational resilience.
- Identifies and provides for the continuity of critical operations.

Roles and Responsibilities

The CEO is responsible for the:

- Implementation of this Policy.
- Measurement and reporting on the performance of risk management.
- Review and improvement of this Policy and the Shire's Risk Management Framework at least biennially, or in response to a material event or change in circumstances.

The Shire's Risk Management Framework outlines in detail all roles and responsibilities associated with managing risks within the Shire.

Risk Assessment and Acceptance Criteria

The Shire quantified its broad risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Framework and as a component of this policy.

All organisational risks are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

Monitor and Review

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Shire's Executive Management Team and its employees. It will be formally reviewed biennially.

Related Documents (Legislation/Local Law/Policy/Procedure/Delegation)

AS/NZS ISO 31000:2018

Risk Management Strategy

Review History

Review Due: March 2024

Date	Council Resolution	Description of review/amendment
28/06/2023	RES: 120623	V1.0. Re-write policy following recommendations from 2023 Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls.
Former Policy No: R4 Risk Management		
16/05/2007	159.1.1-2007	Adoption of Policy (R4)
21/03/2018	RES: 050318	Re-written