


Risk Management Policy

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Strategic Pillar	Organisation Capability	
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1. OUTCOMES

- 1.1 Queanbeyan-Palerang Regional Council (QPRC) has a significant role in ensuring the quality of life of all residents within the Queanbeyan-Palerang Local Government Area, including through effective management of risks inherent to the provision of Council services and the pursuit of Council objectives.

2. POLICY

- 2.1 QPRC is committed to developing a formal, systematic, structured and proactive enterprise risk management (ERM) approach that employs consistent processes, language and systems in the management of risk across Council, and takes an organisation-wide and strategic view in determining its risk management priorities.
- 2.2 Council recognises that while risk is inherent in all its activities, the management of risk is good business practice, creates value, is integral to sound corporate governance, and is in some instances a mandatory legal requirement. In particular, effective risk management can lead to better decision-making and planning as well as better identification of opportunities and threats and is an integral element of sound strategic business management.
- 2.3 Council also acknowledges and is committed to implementing the NSW State Government's requirements for risk management strategies to be included in the planning and activities the Council undertakes under the Integrated Planning and Reporting Framework, particularly in relation to long-term financial planning and asset management. Council is also committed to meeting its responsibilities under the Local Government Act 1993 as they relate to risk management.

3. SCOPE OF THE POLICY

- 3.1 The policy is to be applied in the management of risk inherent to all Council's activities, including business continuity risk. Additional policies may be developed to provide further guidance in the management of specific risks.

4. DEFINITIONS

- 4.1 Council adopts the definitions contained in the Australian and international risk management standard, AS/NZS ISO31000:2018.

5. LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS

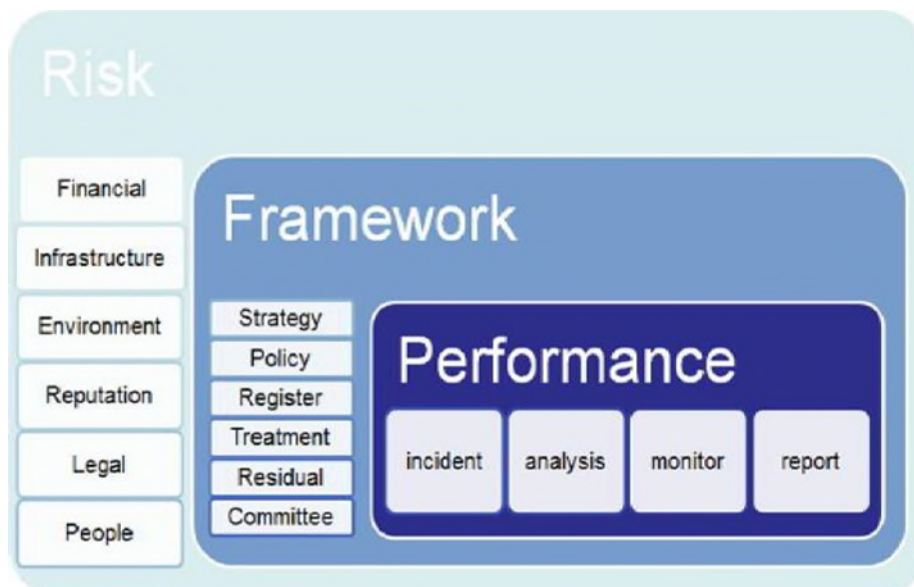
- 5.1 AS/NZS ISO31000:2018 establishes the principles and approach for an overarching risk management framework; however, relevant legislative obligations and associated standards are determined by the activity being undertaken.
- 5.2 Council will also comply with legislation governing specific risks, including:
- *Work Health and Safety Act 2011 and Work Health and Safety Regulations 2011*
 - *Environment Planning and Assessment Act 1979*
 - *Privacy and Personal Information Protection Act 1998*

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6. CONTENT

6.1 Risk Management Framework

- 6.1.1 Council's enterprise risk management framework is a set of components that provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management of both its day-to-day operations and strategic direction.



- 6.1.2 Council is committed to maintaining an effective, efficient and tailored risk management framework that includes:

- this policy;
- a risk management directive, updated at least annually, specifying the approach, the management components and resources to be applied to the management of risk;
- matrixes to enable the consistent analysis, evaluation and response to risk across Council; and
- a risk register recording key information about identified risks, including risk levels and controls.

- 6.1.3 The framework supports:

- a formal, structured approach to risk management that is appropriate to the Council's activities and operating environment; and
- a risk management approach consistent with the principles of the Australian and international risk management standard, AS/NZS ISO 31000:2018.

6.2 Risk Appetite

- 6.2.1 As a local government authority, Council has an obligation to its stakeholders to ensure that it does not accept high levels of risk that might impact on community wellbeing and amenity or the ongoing viability of Council. Accordingly, Council generally has a low appetite for unmitigated risks across all of its day to day operations.

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6.2.2 However, in order to achieve the outcomes identified in the Community Strategic Plan, Council will have to take some calculated risks to deliver the range of services and infrastructure expected by the local community. This may include risks associated with commercial development and partnerships with other public and private sector entities. In addition, as a newly formed entity there will be significant expectations from a range of stakeholders including the NSW State Government that will exert pressure on Council to meet various performance benchmarks as set out in the Stronger Councils Framework. This will also require Council to take some risk beyond levels it may have traditionally accepted in the recent past.

6.3 Implementing Risk Management

6.3.1 Council is committed to ensuring that a strong risk management culture exists and to developing and maintaining an approach to risk management that:

- (a) embeds risk management as an integral aspect of Council's planning and operational processes, including practices for setting fees and penalties where appropriate;
- (b) allocates sufficient funding and resources to risk management activities;
- (c) provides staff with appropriate training in risk management principles;
- (d) assigns clear responsibilities and authorities to staff at all levels for managing risk;
- (e) embeds key controls to manage risks into business processes;
- (f) establishes appropriate mechanisms for measuring and reporting risk management performance;
- (g) communicates risk management policies, plans and issues to staff and other stakeholders;
- (h) takes human and cultural factors into account;
- (i) is dynamic, iterative and facilitates continual improvement;
- (j) promotes and encourages communication within our stakeholder community in relation to the management of risk; and
- (k) promotes honesty with ourselves and with others in relation to the risk exposures and challenges faced by the Council.

6.4 Monitoring and Reporting of Risk Management

6.4.1 Risk owners are responsible for monitoring and reporting on the scope and effectiveness of their management of risks inherent to their business activities, including the timeliness and effectiveness of the treatment of risks for which they are responsible.

6.4.2 The Executive are responsible for periodically reviewing Council's risk profile and the risk management program to ensure that all material risks, particularly enterprise-level risks are being adequately identified, assessed and managed.

6.4.3 Reports to the elected Council must detail any risk management considerations relevant to the subject matter.

6.4.4 Reports provided within the Integrated Planning Framework are to detail relevant risk management activities and issues and Council's annual report is to include a summary of the achievements and main activities in risk management during the reported year.

6.5 Working with other Organisations

6.5.1 Council may consider guidance and advice provided by other organisations in respect of relevant risk management issues.

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6.5.2 Such organisations may include Office of Local Government, Council's insurers, Canberra Region Joint Organisation, and Local Government New South Wales and member bodies.

6.6 Accountabilities and Responsibilities for Managing Risk

6.6.1 Council is ultimately responsible for adopting and committing to this risk management policy, identifying and monitoring emerging risks and fully considering risk management issues contained in Council reports and other information provided to councillors.

6.6.2 The Audit, Risk and Improvement Committee provides independent assurance and assistance to the Council on risk management, control, governance, and external accountability responsibilities, and acting as a forum to support management of risks inherent to Council's activities and objectives.

6.6.3 The Work Health and Safety Committee is responsible for reviewing the risk management reporting process for effective overview of the significant risk exposures to QPRC workers; monitoring and reviewing hazards, risks and control measures for early intervention strategies for continuous improvement; and providing information and advice on how Work Health and Safety risk management strategies can be implemented.

6.6.4 The Chief Executive Officer is responsible for leading the development of an enterprise risk management culture across the organisation and ensuring that the Risk Management Policy and Plan are being effectively implemented.

6.6.5 Council's Executive are responsible for providing strategic oversight of the management of risk in accordance with Council's risk appetite, particularly in relation to risks that require a coordinated response across Council or in conjunction with external stakeholders.

6.6.6 Portfolio General Managers are responsible for ensuring that the Risk Management Policy and Plan are being effectively implemented within their areas of responsibility.

6.6.7 The Risk Management Coordinator is responsible for the day to day coordination of the Risk Management Program for the Council.

6.6.8 Internal Audit periodically reviews the risk management framework, including the internal controls designed to manage risk.

6.6.9 Managers at all levels are the risk owners and are required to create an environment where the management of risk is accepted as the personal responsibility of all staff, volunteers and contractors. Service Managers are accountable for the implementation and maintenance of sound risk management processes and structures within their area of responsibility in conformity with Council's risk management framework.

6.6.10 Project managers are the risk owners for risks inherent to projects they manage and are required to create an environment where the management of risk is accepted as the personal responsibility of all staff and contractors assigned to or working on that project. Project managers are accountable for the implementation and maintenance of sound risk management processes and structures within their area of responsibility in conformity with Council's risk management framework.

6.6.11 All staff are required to act at all times in a manner which does not place at risk the health and safety of themselves or any other person in the workplace or community. Staff are responsible and accountable for taking practical steps to minimise Council's exposure to risk in so far as is reasonably practicable within their area of activity and responsibility.

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7. PERFORMANCE INDICATORS

- 7.1 A report on the Council's risk profile and risk management performance is to be provided to the Audit, Risk and Improvement Committee at least annually.
- 7.2 The Chief Executive Officer and Portfolio General Managers are to review the Council's risks at six-monthly intervals to ensure that all relevant risks have been identified and assessed and are being managed effectively in accordance with this policy.

8. REVIEW

- 8.1 A report on Council's risk profile and risk management performance is to be provided to the Audit, Risk and Improvement Committee at least annually.
- 8.2 The Chief Executive Officer and the Portfolio General Managers are to review Council's risks at six-monthly intervals to ensure that all relevant risks have been identified and assessed and are being managed effectively in accordance with this policy.