

# Risk Management Policy

## City Policy

### Responsible Directorate: Office of the CEO

**Objective:** The objective of this policy is to communicate the City's commitment and approach to managing risks that may impact on its day-to-day operations and threaten the achievement of its objectives. The risk management process, associated guidelines, policies and monitoring and review processes will be consistent with the guidelines and principles as described in AS/NZS ISO 31000:2009.

#### 1. Application:

The Risk Management Policy and any associated frameworks, guidelines and protocols will apply across all operations of the City. All employees within the City are encouraged to develop an understanding and awareness of risk and contribute to the risk management process.

#### 2. Definitions:

##### Risk:

The effect of uncertainty on objectives. (AS/NZS ISO 31000:2009). An effect is a deviation from the expected – positive and/or negative. Risk is often expressed in terms of a combination of the consequences of an event and the associated likelihood.

##### Risk Management:

Coordinated activities to direct and control an organisation with regard to risk. (AS/NZS ISO 31000:2009)

##### Risk Management Framework:

Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. (AS/NZS ISO 31000:2009)

### 3. Statement:

The City is committed to ensuring that effective risk management remains central to all its operations while delivering a wide and diverse range of services to its residents and visitors. The management of risk is the responsibility of everyone and should be an integral part of organisational culture and be reflected in the various policies, protocols, systems and processes used to ensure efficient and effective service delivery. The Risk Management Framework will reflect good practice and sound corporate governance and be consistent with the risk management guidelines and principles of AS/NZS ISO 31000:2009.

### 4. Details:

Effective implementation of the Risk Management Framework will ensure that:

- i) Risks that threaten the delivery of services will be identified, recognised and described;
- ii) Risks will be analysed to establish an understanding of their sources and causes and their likelihood and impact should they eventuate;
- iii) Risks will be evaluated to assist in making decisions about risk priorities and treatment plans;
- iv) Risk management processes will be continually reviewed to ensure that controls are effective, new information is gathered, latest changes and trends are identified, successes and failures are recorded, lessons are learned, changes in internal and external context are detected and emerging risks are captured; and
- v) Benefits are realised including;
  - Greater likelihood of achieving objectives;
  - Compliance with legislative and regulatory requirements;
  - Improved stakeholder trust and confidence;
  - Encouragement of decisive leadership rather than crisis management;
  - Better information for improved decision making;
  - Reduced unexpected and costly surprises;
  - Better results from projects and programs; and
  - More effective and efficient allocation of resources.

#### Risk Appetite

Resources available to control risks are limited and the cost of any controls should be considered along with the value of expected benefits. The City's risk appetite will be risk prudent. The City will accept the taking of controlled risks, the use of innovative approaches and the development of new opportunities to improve service delivery provided that the risks are properly identified, analysed and evaluated to ensure that exposures are acceptable and managed accordingly.

#### Availability of the Policy

This Policy will be available on the City's website and Intranet.

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**Creation Date:** <mmmm yyyy (adopted by Council)>  
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**Related Documentation:** • <*title of document, if applicable*>