

Risk Management Policy

City Policy

Responsible Directorate: Office of the CEO

Objective: To outline the City's commitment and approach to **for** managing risks that may impact on ~~its day-to-day operations and threaten~~ the achievement of its objectives.

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" means the effect of uncertainty on objectives., ~~as defined within AS/NZS ISO 31000:2009.~~ An effect is a deviation from the expected **planned outcome**; positive and/or negative. ~~Risk is often expressed in terms of a combination of the consequences of an event and the associated likelihood.~~ **Objectives are the planned outcome for an activity.**

"risk management" means the coordination of activities ~~that to~~ direct and control an organisation with regard to risk **within an organisation**., ~~as defined within AS/NZS ISO 31000:2009.~~

"risk management framework" means **an outline of the process and responsibilities that allow an organisation to integrate risk management into activities and functions.** ~~a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation; as defined within 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 AS ~~NZS~~ ISO 31000:2009 **18 Risk mManagement – Principles and gGuidelines.**

4. Details:

4.1 Risk Management Approach:

The following applies to the City's approach to risk management:

- a. The Council, Chief Executive Officer and Directors are to provide leadership, oversight and active participation in risk management activities within their areas of responsibility, as defined within the *Risk Management Framework*.
- b. All employees are encouraged to develop an understanding and awareness of risk, as required by their role, through relevant training programs where applicable.
- c. The *Risk Management Framework*, including criteria for risk assessments, is to be used in all activities that contribute to achieving the City's objectives.
- d. Risks are recorded in the City's risk register, or individual project register, and are updated as required.
- e. Reporting of risk is to comply with the requirements within the *Risk Management Framework*, or as otherwise requested by Council or the Chief Executive Officer.

4.2 Risk Management Outcomes:

Effective implementation of the *Risk Management Framework* will ensure that:

- a. Risks that threaten the delivery of services, ~~significant events and achievement of strategic objectives will be~~ **are** identified, ~~recognised and described~~ **documented and managed**.
- b. Risks ~~will be~~ **are** analysed to establish an understanding of their source, ~~and causes,~~ **and their likelihood of occurrence** and ~~impact~~ **consequences** should they eventuate.
- c. Risks ~~will be~~ **are** evaluated to assist in making decisions about risk priorities, **control effectiveness** and treatment plans.
- d. Risk management processes ~~will be~~ **are** continually reviewed to ensure that controls **and/or treatments** 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.
- e. 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.
 - More effective and efficient allocation of resources.

Performance of the risk management outcomes will be measured through compliance with this Policy, the maturity of the City's *Risk Management Framework* and risk management program, as well as any benefits derived.

4.3 Risk Appetite **Tolerance**:

~~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~~s the taking of controlled risk, **aiming to maintain risks at targeted levels within each key area of business, whilst considering the cost and value of controls implemented against their overall benefit.** ~~the use of Innovative approaches and the development of new opportunities to improve service delivery~~ **are encouraged**, provided that the risks are properly identified, analysed and evaluated ~~to ensure that~~ **ensuring** exposures are acceptable, ~~and managed and reported accordingly~~ **as defined within the *Risk Management Framework*.**

Creation Date: September 2013

Amendments: CJ190-09/13, CJ##-##/##

Related Documentation:

- *City of Joondalup Fraud, Corruption and Misconduct Control Policy*
- *City of Joondalup Risk Management Framework*
- *City of Joondalup Project Management Framework*
- ~~AS/NZ ISO 31000:2009~~ **18 Risk Management - Principles and Guidelines**
- *Local Government (Audit) Regulations 1996*