

Risk Management Policy

City Policy

Responsible Directorate: Office of the CEO

Objective: To outline the City's commitment and approach for managing risks that may impact on 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.

2. Definitions:

“risk” means the effect of uncertainty on objectives. An effect is a deviation from the planned outcome; positive and/or negative. Objectives are the planned outcome for an activity.

“risk management” means the coordination of activities to direct and control risk within an organisation.

“risk management framework” means an outline of the process and responsibilities that allow an organisation to integrate risk management into activities and functions.

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~~ community, including residents, ratepayers, businesses and visitors. The management of risk is the responsibility of everyone and should be an integral part of organisational culture ~~and be which~~ is 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 ISO 31000:2018~~ *Risk Management – Guidelines*.

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, controls and responsibilities are recorded in the City's risk register, or individual project register, and are updated as required by risk responsible officers.
- 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 are identified, documented and managed.
- b. Risks are analysed to establish an understanding of their source, causes, likelihood of occurrence and consequences should they eventuate.
- c. Risks are evaluated to assist in making decisions about risk priorities, control effectiveness and treatment plans.
- d. Risk management processes 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 Tolerance:

The City accepts 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. Innovative approaches and the development of new opportunities to improve service delivery are encouraged, provided that the risks are properly identified, analysed and evaluated ensuring exposures are acceptable, managed and reported as defined within the *Risk Management Framework*.

Creation Date: September 2013

Amendments: CJ190-09/13, CJ158-10/20, 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 ISO 31000:-2018 Risk Management - Guidelines*
- *Local Government (Audit) Regulations 1996*