

1. POLICY STATEMENT

- 1.1** Murray River Council's ('Council') Risk Management Policy is a commitment to the development of a robust risk aware and safety culture, where mitigating risk is seen as integral to the achievements of our aims at all levels of Council - where all employees are alert to risks, capable of an appropriate level of risk assessment and confident to report risk.

2. COMMENCEMENT OF THE POLICY

- 2.1** This Policy will commence from **29 June 2017**.
- 2.2** It replaces all other risk management policies of the Council (whether written or not).

3. APPLICATION OF THE POLICY

- 3.1** This Policy applies across all functions and activities of the Council and to all stakeholders (internal and external).
- 3.2** This Policy is supported by the following Council documents: Risk Management Framework, Risk Treatment Plans, Risk Register, processes and systems.

4. CONTEXT

- 4.1** We operate in a demanding natural, social and business environment and few organisations are faced with such a diverse and complex array of potential risks as Murray River Council.
- 4.2** Risk management is not risk avoidance. Risk management is more about informed risk-taking. A systematic risk management approach will not restrict creativity or innovation. Risk management is intended to maximise gains and minimise or avoid loss by systematic decision making. It encourages careful consideration of the full range of options when a decision has to be made.
- 4.3** Council's vision for risk management is that it will be managed proactively and openly, using a structure of frameworks based on best practice. This enables the effective, efficient and consistent management of risk within the resources available.
- 4.4** In developing and applying a risk management approach, Council needs to consider how to protect the critical elements of its operations from failure while maximising advantage through:
- ▶ The consideration of alternative strategies;
 - ▶ The development of contingency plans;

- ▶ Careful monitoring and handling of complaints to avoid them becoming a major issue;
 - ▶ Recovery planning, to get back on our feet after mishaps; and
 - ▶ Effective coordination where joint action across Council's directorates and work teams is required to treat a particular risk to which the Council is exposed.
- 4.5** This Risk Management Framework complements other Council policies and frameworks, including, but not limited to:
- ▶ Corporate Governance
 - ▶ Operational Risk (Work Health and Safety)
 - ▶ Regulatory Compliance
 - ▶ Internal Audit
 - ▶ Business Continuity and Disaster Recovery
 - ▶ Records Management.

5. PURPOSE

- 5.1** This Policy, and the supporting documents, outlines Council's expectations in the management of risk, and provides guidance to all stakeholders involved in implementing and maintaining a consistent and effective risk management framework for all aspects of risk.
- 5.2** The Policy's objectives are to:
- ▶ Establish and enhance a risk aware and safety culture at Council;
 - ▶ Minimise risk exposure during the course of conducting everyday activities;
 - ▶ Enable strategic planning to be based on rigorous consideration of the key elements of risk;
 - ▶ Provide Council's Management Executive (MANEX) team with a systematic methodology to formally acknowledge and proactively manage the risks that they are responsible for;
 - ▶ Provide all Council employees at all levels with clarity of purpose and the ability to identify solutions and actions required;
 - ▶ Provide demonstrable compliance with requirements, or clear evidence that breaches are managed;
 - ▶ Enable better operational outcomes based on effectiveness and efficiency;
 - ▶ Maintain an environment of 'no surprises';
 - ▶ Enhance decision making with clear and transparent processes;
 - ▶ Minimise the costs associated with risk management, eg reduced insurance premiums; and
 - ▶ Enhance Council's reputation as an 'employer of choice'.

6. RISK MANAGEMENT STANDARD

- 6.1** This Policy, and the supporting documents, is based on the International Risk Management Standard AS/NZS: ISO 31000:2009 Principles and Guidelines.
- 6.2** It outlines the introduction of a risk reporting and review process, which will involve all functions within the Council. As a starting point, it provides corporate guidance for teams at all levels to take deliberate steps to improve their awareness, assessment, monitoring and treatment of risk.

- 6.3** The Standard is not a compliance standard, but provides a generic and flexible set of principles for risk management practice that can be applied to a wide range of activities and includes:
- ▶ An outline of the benefits to an organisation for adopting a consistent, systematic and integrated approach to managing risks and opportunities;
 - ▶ Concepts to be adopted when designing and implementing a risk management framework; and
 - ▶ A focus on integrating risk management into organisational culture, creating continual improvement and best practice.
- 6.4** Common features should include:
- ▶ A commitment by MANEX to risk management
 - ▶ A process which outlines how risks are to be managed
 - ▶ A process in how risks are to be monitored and reported
 - ▶ Clear accountabilities for the management of risks
 - ▶ A process to review and improve on the local risk management procedure/plan.

7. CULTURE

- 7.1** Council is committed to create a 'culture of mindfulness' in which proactive daily decision making and actions integrate risk and safety management habitually across the Council.
- 7.2** Council applies a 'whole of organisation' approach to risk management, with the Risk Management Framework, processes and support tools, driven by MANEX, demonstrating consistent behaviour and promoting a culture of openness and transparency.

8. STRATEGIC PLANNING

- 8.1** Strategic planning at Council is based on rigorous consideration of the key elements of risk. Risk management is directly overlaid onto Council's Community Strategic Plan (CSP) and business plans, enabling MANEX to incorporate risk management into their decision making process.

9. STRUCTURED FRAMEWORK

- 9.1** This Policy is supported by a Risk Management Framework, which provides the overarching structure to Council's risk functions holistically across all functions and activities of the Council. The structured framework enables MANEX to proactively manage risks that they are responsible for and achieve improved outcomes by identifying and analysing issues to make informed decisions using a systematic method.

10. ROLES AND RESPONSIBILITIES

- 10.1** Council's organisational structure establishes the required flow of information to MANEX and/or the General Manager, who has the authority to make decisions to achieve the best possible outcomes. MANEX are supported by individuals with specialist knowledge, tools and training to enable them to manage their risks effectively. An overview of key risk management responsibilities is set out below.

Councillors

- 10.2** Councillors (or a representative committee of Councillors), with assistance from MANEX and external experts, are responsible for overseeing Council's Risk Management Framework through the normal course of good governance.

General Manager

- 10.3** The General Manager is responsible for ensuring risks are managed across all activities of the Council and supporting the implementation of the Risk Management Framework, Risk Management Policy and all supporting documents.

Directors

- 10.4** As members of MANEX, Directors provide expertise to the development of Council's Risk Management Framework, Risk Management Policy, processes and other supporting documents. They are responsible for the development of a positive risk aware and safety culture and the implementation of the Risk Management Framework throughout all functions of the Council.

Risk Manager

- 10.5** The Risk Manager is responsible for establishing and monitoring the process for the management and reporting of risk throughout the Council.

Managers/Supervisors

- 10.6** Managers/Supervisors are usually the risk owners and are required to create an environment where the management of risk is accepted as the personal responsibility of all employees, volunteers and contractors.
- 10.7** Managers/Supervisors are accountable for the implementation and maintenance of sound risk management processes within their area of responsibility in line with Council's Risk Management Framework. They must also keep their Director informed of all risk related matters.

Employees

- 10.8** All employees of the Council 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.
- 10.9** Employees of the Council support risk owners and are responsible and accountable for taking practical steps to minimise Council's exposure to risks, including contractual, legal and professional liability in so far as is reasonably practicable within their area of activity and responsibility.

11. REPORTING

- 11.1 Risk reporting is a vital component of the Risk Management Framework and processes, as it supports discussion and decision making on major risk and organisational priorities.
- 11.2 Council's Risk Manager is responsible for ensuring that MANEX is kept up to date with the status of key current and potential risks and treatment solutions. Comprehensive and timely risk reporting ensures the right people get the right information at the right time in relation to the risk environment.

12. ASSOCIATED DOCUMENTS

- ▶ Murray River Council Risk Management Framework
- ▶ Murray River Council Risk Register

DOCUMENT CONTROL

Version No.	Details	Date	Resolution No.
1	Initial Issue – <i>On 12 May 2016, the Premier of NSW, The Hon Mike Baird MP, made the Local Government (Council Amalgamations) Proclamation 2016 under the Local Government Act 1993, whereby Murray Shire Council and Wakool Shire Council were amalgamated to constitute the new area to be known as Murray River Council, effective immediately.</i>	29 June 2017	330617

*Council reserves the right to review, vary or revoke this policy at any time
This Policy is scheduled for review in June 2018*