POLICY

LOGAN
CITY COUNCIL

Date adopted:	30/05/2017
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Policy title:	**RISK MANAGEMENT**
Directorate:	ORGANISATIONAL SERVICES
Branch:	ADMINISTRATION
Policy objective:	To implement and administer an integrated risk management system across Council that provides for:

(a)   effective strategic, operational and project planning with clear linkages

(b)   confidence in achieving planned strategic, operational and project objectives

(c)   confidence in Council's decision-making processes

(d)   reduction of time lost 'fighting fires' and responding to unexpected threats (organisational resilience)

(e)   effective recognition and seizing opportunities (organisational resilience)

(f)   effective compliance

(g)   risk acceptance in conjunction with risk mitigation strategies

(h)   a high level of stakeholder confidence.
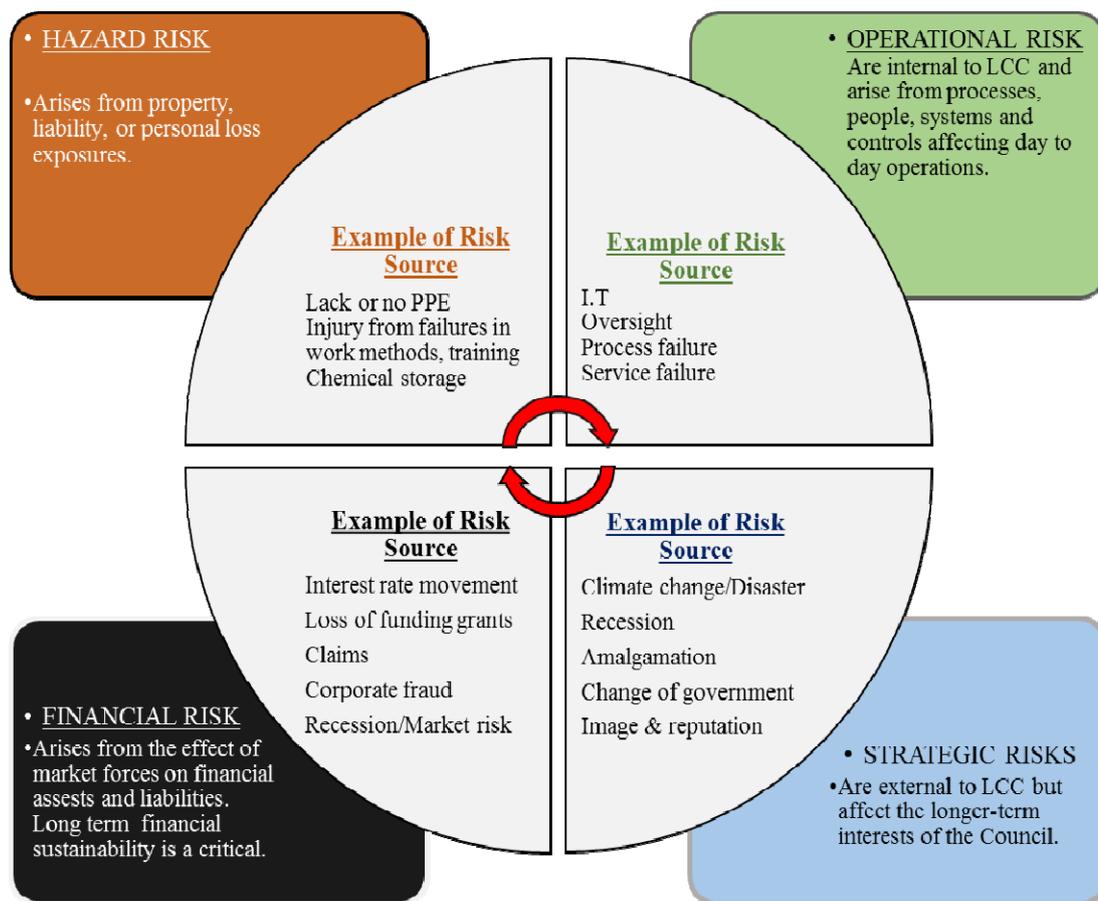
Policy scope:

1.   Background

Council strongly supports the implementation and maintenance of a formal, integrated risk management system. In providing this support, Council acknowledges that its risk management system is fundamental to achieving strategic and operational objectives and serves as the methodology underpinning its system of governance.

This policy sets out Council's high level expectations in relation to risk management at Logan City Council (LCC). The document titled "Council-Wide Risk Management Framework" serves as a risk management plan outlining how risk management is implemented across Council.

2.   Risk Quadrant

The Risk Quadrant in diagram 1 provides an overview of risk in the context of Council operations. Note that the Risk Quadrant is not a tool for risk rating or prioritisation as Council's Risk Matrix is designed for that function. The Risk Quadrant gives context to Council's operational and strategic risks so staff know the difference between the two intuitively. The same rationale applies to Hazard and Financial Risks. Finally, whether the risk is internal or external to the organisation it would be included in one of Council's eight risk categories.

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Refer to the electronic document to ensure you have the latest version of this document.

Diagram 1

Communication & Information	Facilities and Asset Management	Community Expectation	Emergency & Disaster Response	Finance & Legal	Leadership & Management	Health, Safety & Security	Workforce
Risk Categories - Logan City Council							

3. Application of this policy

   (a) The risk management process is to be linked to objectives at all levels of Council and take account of opportunities as well as threats.

   (b) All councillors, the Chief Executive Officer, directors, senior managers and employees of Council are responsible and accountable for the management of risks and opportunities.

   (c) The International Risk Management Standard ISO 31000:2018 (or any successors thereof) is to be used as Council's risk management methodology.

   (d) The Council-Wide Risk Management Framework will provide procedures directed at ensuring that councillors, the Chief Executive Officer, directors, senior managers, employees, contractors and consultants of Council —

      (i) are aware of, and share, the commitment to risk management outlined in this policy

      (ii) understand their risk management obligations

      (iii) are responsible and accountable for those obligations

      (iv) are provided with the means for identifying and reporting risks and exposures

(v)   are supported and resourced by Council sufficiently to enable them to carry out these obligations.

The Council-Wide Risk Management Framework will set out the methodologies for the monitoring and review of Council's risks and the risk management system.

Definitions:

TERM	DEFINITION
Control	Those elements of an organisation (including resources, systems, processes, culture, structure and tasks) that, taken together, support people in the achievement of the organisation's objectives.
Consequence	Outcome of an impact or event.
Likelihood	Used as a general description of probability or frequency.
Organisation	A group of people working together to achieve objectives (the entity including its governing body).
Residual risk	Risk remaining after implementation of risk treatment.
Risk	The effect of uncertainty on objectives.
Risk champions	Are branch managers and program leaders as they have frontline knowledge on current and emerging risks. However, it is the branch manager that approves risks to be entered onto the Corporate Risk Register. The branch manager also can appoint officer/s to support them administratively regarding risk management activities.
Risk criteria	Terms of reference by which the significance of risk is assessed (Likelihood and Consequence).
Risk evaluation	Process of comparing the level of risk against risk criteria.
Risk facilitator	Is an experienced officer that has the skill set to educate staff on how to identify, assess and control and/or mitigate risks to an acceptable level in accordance with Council's 'Risk Management' policy. The risk facilitator is able to assist the risk owner to apply techniques and processes to solve problems and work towards an optimal outcome.
Risk treatment	Process of selection of and implementation of measures to modify risks.
Strategies	Actions developed by applying the risk management process to objectives during the planning process (synonymous with controls and risk treatments).

Policy statement:

1. Risk management and planning

    The ISO 31000:2018 risk management guidelines (or any successors thereof) is to be applied in all activities to ensure that risks associated with Council's strategic and operational objectives are identified and effectively integrated into a Council-wide process. The Corporate Risk Register is to be arranged by organisational levels and their associated objectives.

    Opportunities are to be evaluated in terms of:

    (a)   the risks resulting from not taking up the opportunity
    (b)   the risks involved in taking up the opportunity
    (c)   the risks involved in managing the opportunity.

2. Responsibility for the management of risk

    Everyone connected with Council and with a responsibility for the achievement of objectives is also responsible for the risks associated with those objectives and the controls to manage those risks. General responsibilities include but not limited to:

(a)   councillors for corporate level risks

(b)   the CEO and directors for business level risks

(c)   directors and managers for directorate level risks

(d)   managers for branch level risks

(e)   program leaders for program level risks

(f)   employees for risks associated with the responsibilities set out in their position descriptions.

(g)   Risk facilitator roles apply to the positions of:—

    (i)   Administration Manager

    (ii)   Corporate Risk Management and Insurance Program Leader

    (iii)   Risk Management and Insurance Co-ordinator

    (iv)   Risk Management and Insurance Officer

    (v)   Risk and Insurance Officer

    (vi)   People and Culture Manager

    (vii)   Health and Safety Program Leader

    (viii)   Disaster Management Program Leader.

(h)   Risk champions are to be designated in each directorate/branch/program as appropriate and are responsible by delegation from their director/branch manager for —

    (i)   providing support and advice within their directorate/branch/program in relation to risk management

    (ii)   maintaining the currency of the directorate/branch/program risk registers

    (iii)   reporting the extreme and high risks as part of corporate reporting requirements.

(i)   To enhance their role, risk champions are to be provided with —

    (i)   professional development in risk management

    (ii)   adequate resources to discharge the above responsibilities.

(j)   Risk management responsibilities and accountabilities are to be set out in the Council's standing committee terms of reference, appointment letters, employment contracts and positions descriptions.

(k)   Project risk management responsibilities are to be set out in the project documentation.

(l)   Contractor and consultant risk management responsibilities are to be set out in the contract documents.

3.   <u>Source of advice and support</u>

Advice and support is available through a number of sources including:

(a)   risk management facilitators

(b)   risk management champions

(c)   CEO, directors, managers and program leaders

(d)   training courses

(e)   Council-Wide Risk Management Framework document

(f)   reference material in external libraries, Standards Australia, the internet and Council's intranet.

4.   Risk assessment process

Documentation of the risk management process and its outcomes is to be kept brief, but with sufficient detail to provide understanding of the steps used and the rationale for outcomes. Reference should be made to the Council-Wide Risk Management Framework using the Logan City Council Risk Assessment process.

5.   Monitoring and reporting

Monitoring and reporting against Council's risk management function is to occur through a number of complementary processes, which are reviewed on a periodic basis. The various evaluation methodologies are documented in the Council-Wide Risk Management Framework.

6.   Reporting to the Health and Safety Committee annually on the progress of the Council-Wide Risk Management Framework.

Related policies/legislation/other documents:

DOC ID	DOCUMENT TYPE	DOCUMENT NAME
10243208	Framework	Logan City Council Council-Wide Risk Management Framework
6790295	Process Map	Logan city Council Risk Assessment Process
10818529	Risk Matrix	Operational Health and Safety Risk Matrix
12064015	International Risk Management Standard	ISO 31000:2018