



# Gladstone Regional Council

## Council Policy

Title	<b>RISK MANAGEMENT POLICY</b>
Policy Number	<b>P-2017-23</b>
Responsible Directorate	<b>OFFICE OF THE CHIEF FINANCIAL OFFICER</b>
Responsible Officer	<b>COMMERCIAL AND RISK OFFICER</b>
Date of Adoption	<b>06 JUNE 2017</b>
Resolution Number	<b>G/17/3065</b>
Date Review Due	<b>06 JUNE 2020</b>

### 1.0 PURPOSE:

Gladstone Regional Council acknowledges that risk management is an inherent part of Council's daily activities and processes that allow Council to achieve an appropriate balance between realising opportunities for development whilst minimising losses. Council is committed to an effective program of risk management in order to develop strategies for managing current risks and providing the ability to respond to future identified risks.

This policy highlights the significance and importance of risk management as an ongoing process underpinning all activities of Council. This policy describes the responsibilities for risk management as well as how the risk management process is managed, and the role of the Business Improvement Committee in that process.

### 2.0 SCOPE:

This policy applies to all strategic, operational, fraud, and environmental risks faced by Council in order to run its business activities effectively and efficiently.

This policy does not apply to the identification and management of occupational health and safety risks responding to day-to-day incidents, which are managed under Council's Occupational Health and Safety policy.

Broadly, risk management can be applied to decision making at all levels and in relation to any function or activity as follows:

- *Organisation Level:*

Corporate strategies and priorities, asset management, budgetary process, external and internal stakeholders, public liability, media strategy, staff competencies, equal employment opportunity, fraud prevention and control, financial management,

industrial relations, technology, review processes, disaster recovery, environment, and occupational health and safety.

- *Directorate and Project Level:*

Planning, contracting, data quality, information technology projects, consultants, general projects, work priorities, procurement, communication, staff empowerment, managing change, processes and procedures, training and development, and organisation structure.

### 3.0 RELATED LEGISLATION:

Gladstone Regional Council has adopted the principles set out in AS/NZ 31000:2009 Risk Management Principles and Guidelines and the Queensland Government Risk Management Guidelines.

### 4.0 RELATED DOCUMENTS:

- Risk Management Corporate Standard.

### 5.0 DEFINITIONS:

To assist in interpretation of this policy the following definitions apply:

- ***Business Improvement Committee*** means the audit committee established in accordance with Part 11 of the *Local Government Regulation 2012*.
- ***Risk*** means *an event or circumstance that may or may not occur which could adversely impact Gladstone Regional Council's ability to safely, sustainably and cost-effectively achieve its objectives.*
- ***Risk Management*** means *coordinated activities to direct and control an organisation with regard to risk.*

### 6.0 POLICY STATEMENT:

#### 6.1 Responsibilities

Ultimately, the Chief Executive Officer is accountable for the implementation of the risk management process and is responsible for the management of risk across Council.

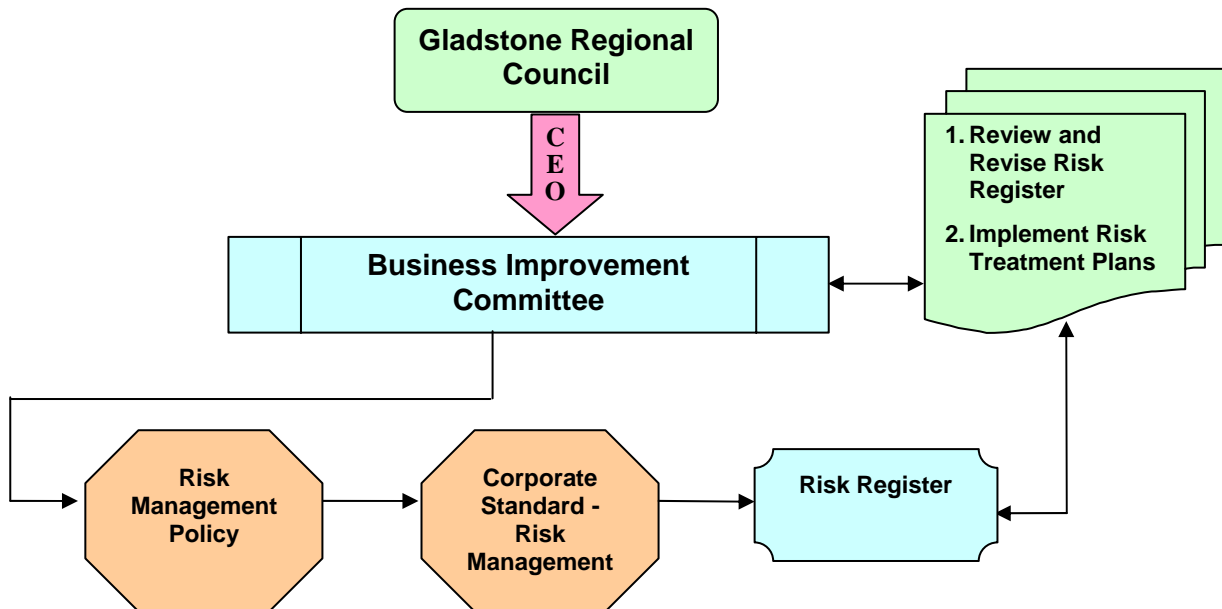
The Business Improvement Committee oversees the implementation and monitoring of risk management across Council and reports to Council, through the Chief Executive Officer.

The Chief Financial Officer is responsible for the maintenance of the risk management framework, with the Commercial and Risk Officer responsible for administering the risk register.

All staff are responsible for managing risks within their areas.

## 6.2 Function of the Business Improvement Committee

The diagram below illustrates that the Business Improvement Committee oversees the implementation and management of the risk management policy and corporate standard as part of the risk management process.



The Risk Management Corporate Standard describes in detail the methodology to be utilised in the implementation of the Council's risk register.

## 6.3 Role of the Business Improvement Committee

The Business Improvement Committee will monitor the performance of risk management through regular reviews, and where necessary, monitor revisions of the risk register when carried out. The Business Improvement Committee will also observe that regular audits of the various treatment plans being implemented are undertaken.

The three major key performance indicators to be examined by the Business Improvement Committee are:

1. that there is evidence of the regular application and monitoring of the treatment plans by the risk treatment plan owner, risk owner, and relevant Director;
2. that there is a tangible reduction between the original risk level prior to the implementation of the treatment plans and the residual risk level following the implementation of the treatment plans i.e. that the selected treatments are successful at reducing the risk; and
3. whether any of the treatments be removed with the risk still remaining at a tolerable level.

The Business Improvement Committee will:

1. endorse the adoption of the Risk Management Policy;
2. endorse the Risk Management Corporate Standard;
3. oversee and monitor the treatment plans developed for each risk in the register;
4. oversee that the treatment plans are effectively implemented and monitor the reviews carried out in the required timeframes;
5. oversee and monitor the Executive Management Team's review of the risk register at least quarterly to incorporate newly identified and emerging risks, develop relevant treatment plans and assess the residual risk level;
6. oversee and monitor the risk owner's reviews of the risk register at least quarterly to incorporate newly identified and emerging risks, develop relevant treatment plans, and assess the residual risk level;
7. oversee and monitor that all relevant Council planning documents incorporate risk management requirements;
8. receive the quarterly report on the status of the strategic and fraud risks and treatment plans, and annually monitor the outcomes of audits and reviews for all strategic, operational, fraud and environmental risks; and
9. highlight any concerns about risks not being adequately managed by Council.

## **7.0 ATTACHMENTS:**

Nil.

## **8.0 REVIEW TRIGGER:**

This policy will be reviewed when any of the following occur:

1. The related legislation/documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council
3. Periodic Review – 3 years from date of adoption.

TABLE OF AMENDMENTS		
Originally Adopted	18 September 2012	G/12/ 1239
Amendment 1	21 January 2014	G/14/1880
Amendment 2	06 June 2017	G/17/3065

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