A15 RISK MANAGEMENT POLICY

Administration

OBJECTIVE:
The purpose of this policy is to define the Shire of Kulin's commitment to risk management and the proactive management of the Strategic, Operational and Project Risks that have an impact on the achievement of Council's objectives.

It is the Shire's intention to achieve best practice and to do this, attempts to align its risk management framework with the guidelines and principles of risk management as set out in the Australian Risk Management Standard AS/NZS ISO31000:2018 and Regulation 17 of the Local Government (Audit) Regulations 1996.

SCOPE:
This policy applies to all activities, decisions, projects, and services undertaken by the Shire of Kulin, including:

- Strategic planning and policy development;
- Operational service delivery;
- Asset management and infrastructure projects;
- Financial management and procurement;
- Event management and community programs.

Risk management is not a stand-alone function separate from the main activities and processes of the organisation. It is an integral part of all organisational processes and embedded into everyday management, planning and reporting activities.

PROCESS:
While it's impossible to eliminate all risks, organisations that actively identify and manage them are better equipped to respond quickly to opportunities or adapt when challenges arise. For the Shire of Kulin, risk management is about reducing uncertainty and creating an environment where unexpected issues are kept to a minimum.

Effective risk management for the Shire of Kulin aims to:
- Protect lives and prevent injuries;
- Safeguard the Shire's reputation;
- Preserve assets and resources;
- Reduce legal liability;
- Maintain uninterrupted operations;
- Minimise financial losses; and
- Enhance decision making.

By identifying and addressing potential risks, the Shire can improve its overall performance and stay on track to achieve its goals. To maximise its impact, risk management and communication should be fully integrated into the Shire's everyday processes and procedures.

Three areas of focus within the Shire of Kulin's risk management framework are:
- Strategic Risk – Risk which are largely outside of the control of Council but have the potential to impact on the achievement of strategic goals.
- Operational Risk – Risks arising from day-to-day services and processes, generally within management control.
- Project Risk – Risks which are unique to a significant project and may include scheduling delays, cost overruns and performance risks.

Council is committed to managing risks to maximise opportunities and minimise adverse outcomes in all activities and processes of the organisation. In doing this, Council will:

- Consider risks associated with all activities and planning processes in accordance with the Council's endorsed risk appetite and tolerance levels.

- Ensure the criteria to be used for risk and control assessments are those detailed in the Risk Management Plan.
- Ensure accountability for activities within Council's Risk Management Plan is allocated to those with the levels of authority necessary for decision making.
- Develop and maintain a Strategic and Operational Risk Register.
- Ensure all employees with roles and responsibilities within the Risk Management Framework receive appropriate training.
- Ensure those allocated responsibility for managing risks or being accountable for critical controls, establish and maintain appropriate monitoring and reporting mechanisms.
- Undertake reporting on risks in accordance with the Risk Management Plan.
- Ensure all adjustments to the Risk Register, including addition of risks, removal of risks and/or changes to risk level are undertaken in accordance with the Risk Management Plan.

ROLES & RESPONSIBILITIES

The following is a broad overview of the roles and responsibilities as they relate to this policy. The full list of roles and responsibilities relating to the management of risks are detailed within Council's Risk Management Plan.

Council	- Reviews and adopts the Risk Management Policy and Framework. - Defines Council's risk appetite and tolerance. - Ensures resources are allocated to manage significant risks. - Monitors strategic risks through Audit & Risk Committee reports.
Audit & Risk Committee	- Monitors implementation and effectiveness of the Risk Management Framework through regular reviews and reporting. - Provides advice to Council on risk oversight and internal control effectiveness. - Ensures compliance with Audit Reg 17 review requirements.
Chief Executive Officer	- Ensures a Risk Management Policy and Framework is in operation - Promotes a risk-aware culture throughout the organisation. - Ensures annual reporting of key risks to the Audit & Risk Committee. - Integrates risk management into strategic, operational, and project planning.
Executive Management & Operational Managers	- Ensure risk management is applied consistently in their areas. - Identify, assess, and treat operational and project risks. - Maintain the Risk Register and report changes in risk exposure.
Executive Manager Governance & Risk	- Coordinates the review of the Risk Management Framework. - Provides risk related support and advice to the organisation. - Maintains Strategic and Operational Risk Registers. - Prepares annual reports to the Audit & Risk Committee.
All other staff	- Understand the Risk Management Framework and any role they may have as a Risk or Control owner - Identify and report new or emerging risks. - Comply with Shire policies, procedures, and controls.

MONITOR AND REVIEW

Risk management will be integrated into the Shire's corporate and operational planning cycle. The CEO will provide annual risk reports to the Audit & Risk Committee, summarising:

- Changes to the Strategic and Operational Risk Registers;
- Emerging or escalating risks;
- Control effectiveness and treatment progress;
- Key risk trends and mitigation activities.

An annual review of the Risk Management Policy and Framework will be conducted to ensure ongoing alignment with legislation, standards, and organisational objectives.

HEAD OF POWER:

Local Government Act 1995 (WA)
Local Government (Audit) Regulations 1996 – Regulation 17
AS ISO 31000:2018 – Risk Management Guidelines