


COUNCIL POLICY

Risk Management	Adopted By Council:	20/02/01	
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	Directorate:	Governance & Community	
	Responsible Officer:	Senior Accountant	

CONTEXT

Risk is the chance of an event occurring that will have an adverse affect on business objectives. It is managed in terms of consequence and likelihood. The resultant liability is usually measured in financial terms but may involve bodily injury, financial loss or property damage.

Risk Management is the process of identifying, analysing and evaluating risk, and selecting the most advantageous ways of treating it.

The purpose of this policy is to provide Council with a framework for the management of risk, and define the responsibilities of staff and management in the risk management process and that successful risk management relies on input from ALL employees.

POLICY

The Borough of Queenscliffe Council is committed to managing risk in accordance with the process described in **Australian/New Zealand Standard ISO13000, Risk Management**, as well as Council's established ethical standards and values, by logically and systematically identifying, analysing, assessing, treating and monitoring risk exposures that are likely to adversely impact on the Council's operations. Specifically, this includes the following areas of losses:

- Personnel (Occupational Health and Safety);
- Plant and Property;
- Liability (including Public Liability and Professional Indemnity);
- Financial;
- Business interruption.

1. Key Stakeholders

The Council has identified the following key stakeholders in implementing this Policy:

- Councillors;
- Ratepayers and Residents;
- Council Employees and Contractors;
- Community Groups and Organisations;
- Council Insurers;
- Customers;
- Visitors.

2. Link To Council's Mission Statement

The management of risk is integral to achieving Council's mission as outlined in the Council Plan:

- It enables the incorporation of contemporary risk management initiatives across all levels of the Council;
- It facilitates and initiates innovation, co-operation and sharing of resources;
- It enhances Council's programs of economic development, environmental management, urban enhancement, community well being, and quality management and customer service.

Many of the Borough's key values have relevance to the Risk Management Policy:

- Concern for citizens;
- Respect for the rights of others;
- Responsiveness to customer needs.

3. Policy Principles

The objectives of the Policy are to:

- Provide a safe environment for community and Council staff;
- Identify and analyse Council's liability associated with Risk;
- Reduce Council's exposure to insurance liability;
- Ensure business continuity;
- Promote and support risk management practices throughout the Council; Encourage the identification and reporting of potential risks;
- Implement processes to identify and reduce risk exposure where possible;
- Recognise that successful risk management relies on input from ALL employees;
- Allow for effective allocation and use of resources;
- Provide a basis for high standards of accountability;
- Allow for effective delivery of local government programs;
- Protect Council's corporate image as a professional, responsible and ethical organisation.

4. Risk Management Requirements

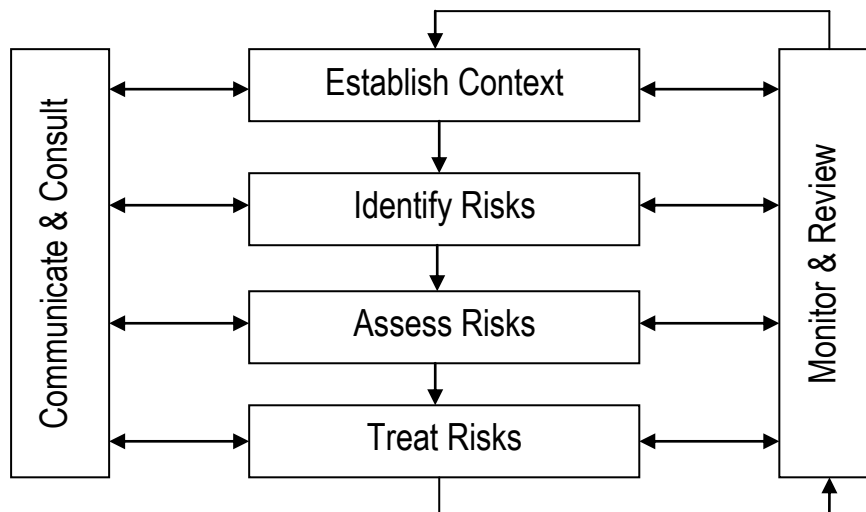
Risk management shall be a consideration in Council decision making.

In accordance with its common law duty of care, statutory responsibilities and Council policy, the Council will ensure that resources are allocated to support:

- staff health and safety (through its Occupational Health and Safety Policies and Procedures Manual);
- corporate assets;
- corporate liability;
- corporate reputation;
- any other circumstance which may cause a loss to Council.

This will be achieved through the implementation of the risk management process, which is designed to identify significant risk exposures, and find acceptable solutions for eliminating, reducing or transferring them.

In order to manage risk in accordance with best practice, the Council will use the following model advocated by ASISO13000.



5. Responsibilities

Management and staff are to be familiar with and competent in the application of Council's Risk Management Policy and are accountable for adherence to that policy within their areas of responsibility.

5.1 Council is responsible for:

- Approving the Risk Management Policy and for ensuring there is adequate budgetary provision for the implementation and maintenance of this policy;
- Maintaining its policy of purchasing the required insurances to protect the organisation and community against any adverse losses; and
- Identifying resource requirements and provide adequate resources for the Management Group to maintain performance of work that takes all reasonable and practical precautions to avoid an occurrence which may cause an offence at law, damage to others for which may cause an offence at law, damage to others for which they may claim against Council or unforeseen loss of assets from Council and the community at large.

5.2 The Audit Committee:

- will monitor management's implementation of the Policy and risk management performance through Council's Risk Register. The Internal Auditor will be asked to report progress to the Committee on a regular basis.

5.3 The CEO shall have the authority and is responsible for ensuring that:

- The established risk management system is maintained;
- The performance of the risk management system is reported to the Management Group for review and improvement;
- Liaison is undertaken with external parties from time to time on matters relating to Council's risk management policy;
- Driving the Risk Management Policy;
- Providing the resources needed to implement the policy; and
- Supporting managers in empowering staff to manage risk.

5.4 Risk Management Committee is responsible for:

- Effectively co-ordinating and facilitating risk management operations within the framework provided by **AS/NZS ISO13000, Risk Management**, legislation and Council policy;
- Maintaining a Risk Register including, providing advice and assisting management and staff in the management of risk within their areas of responsibility;

- Developing and providing risk management awareness training, which may include calling upon external consultants or expertise in order to complement Council's risk management training and awareness program;
- Initiating action to prevent or reduce the adverse effect of risk;
- Providing assistance in the control and treatment of risks, until the level of risk becomes acceptable;
- Identifying and recording any problems relating to the management of risk;
- Verifying the implementation of solutions;
- Verifying that investigations of incidents and accidents are undertaken to determine the action necessary to prevent a recurrence;
- Investigating, assisting and monitoring Council's insurance register for third party claims;
- Monitoring agreements, leases and contracts with Third Parties ensuring that they have appropriate indemnity/hold harmless and insurance clauses in place to reduce Council's liability; and
- Reporting twice yearly to the Audit Committee of its work in the area of risk management.

5.5 Supervisory Staff are responsible for:

- Ensuring that staff undertake and fulfil their need to undertake safe working procedures. This responsibility extends to contractors and volunteers working under supervisory staff;
- Ensuring that Council responds immediately to any report of hazard or incident received from a resident, employee or visitor;
- Providing assistance and requested information in relation to any insurance claim or risk management issue, in a timely manner; and
- Advising of any risk management matter that should be incorporated in forthcoming budgets.

5.6 Employees are responsible for:

- Making loss control/prevention a priority whilst undertaking daily tasks in Council's operations. This includes taking care of Council property. Any exposures, loss or damage are to be reported to their manager within 24 hours of becoming aware of such exposure, loss or damage;
- Performing duties in a manner which is without an unacceptable level of risk to their own health and safety, other employees, Council's customers or the community in general;
- Reporting any illness, injury, hazard, near miss or incidents and losses as soon as they are detected to their manager or co-ordinator; and
- Providing risk management related information, as requested by their manager.
- The **Risk Management Committee** is responsible for assisting Council in meeting its Occupational Health & Safety responsibilities.

5.7 Volunteers, managers, contractors and lessees of Council property:

- Contracts and lease agreements issued by Council need to define accountabilities, for the occupants of Council properties, in order to minimise loss or damage to the property. Sufficient security measures are expected and reporting of damage or hazards to Council must occur within 24 hours of these issues being identified.
- Routine property inspections are to be conducted by Council, at a time agreed with the occupants. Any findings / required actions and timeframes must be communicated to the occupants and acted upon in a timely fashion. Continued poor performance by occupants will result in a review of occupancy and conditions of use of Council property. Effective monitoring to be undertaken by Council's internal Risk Management Committee.

6. **Communication & Monitoring**

- Risk Management will be on the agenda at all EMT/Program Leaders meetings and Staff meetings. The purpose of the agenda item will be to monitor and review performance of the risk management system.
- Each Manager shall have the responsibility to distribute dialogue of risk management matters to his/her department. Managers shall advise staff of any of the matters concerning their department as soon as possible.
- The Risk Management Committee will be advised of any personal injuries or reported near misses to any staff, contractor, volunteer or member of the public..
- Special Committees of Council will be advised of any risk matters that may be identified in their areas of responsibility.

7. **Document Control**

- The Risk Management Committee will provide regular reporting to the Audit Committee on Risk Management activities.
- Potential Liability and Professional Indemnity claims will be passed onto Council's Insurance underwriter as soon as practicable after the realisation of the claim.

8. **Implementation/Documentation:**

- A comprehensive review of all Council's activities is to be undertaken in order to assess the level of compliance with the Risk Management Policy. Progressive adjustment of practices will be undertaken, including the documentation and recording of those practices, to achieve full compliance with this Policy.
- The objective is for Council to be ultimately recognised as achieving and maintaining best value standards for managing risk within Local Government.

9. **Performance Review:**

- This policy takes effect immediately upon Council adoption. It is to be reviewed every two years.
- The Council shall ensure that there is ongoing review of its risk management system to ensure its continued suitability and effectiveness in satisfying the requirements of **AS/NZS ISO13000, Risk Management**, and its Risk Management Policy. Records of such reviews shall be maintained.

OTHER REFERENCES

Australian/New Zealand Standard ISO13000, *Risk Management*

END