

Risk Management

Part A

Introduction

The Shire of Broome recognises that as a local government authority it is exposed to a broad range of risks, which if not managed, could adversely impact on the organisation achieving its strategic objectives. Therefore the Shire will implement an enterprise-wide risk management framework and system to identify and address areas of potential risk, where appropriate and practical, within the Shire.

The intent of this policy is to create an environment where Council, management and staff assume responsibility for risk management, through consistent risk management practices.

Policy Objective

1. To protect the Shire of Broome's assets – people, property, reputation, financial sustainability and information.
2. Promote Risk Management principles and practices as a tool to achieve the Shire's strategic goals.
3. Capitalise on opportunities presented and minimise adverse effects of risks.
4. Continually improve the services provided by the Shire of Broome.

Policy Statement

1. The Shire of Broome is committed at all levels to managing risk in accordance with the principles, framework and guidelines as detailed in the AS/NZS Risk Management Standard; 31000:2009.
2. The Shire will implement a Risk Management system, via a comprehensively planned and consistent enterprise-wide program and approach.
3. The Shire will prioritise identified Strategic, Operational and Project-based risks across the organisation and implement treatments, as practicable, based on the level of risk and the effectiveness of the current risk treatments.
4. Ensure Risk Management processes are integrated with current strategic and operational planning processes.
5. Ensure relevant contexts are considered when managing risk, including legislation, political, social and economic factors.

6. Create and promote a culture of risk awareness and ensure adequate resources and operational capacity are provided and the responsibility for Risk Management is clarified and allocated.
7. The Shire of Broome will follow the process as suggested in the AS/NZS 31000:2009 standard for Risk Management when implementing a risk management framework.

Part B

Management procedures

Definitions:

For the purpose of the Policy the following definitions apply:

Risk	The effect of uncertainty on objectives. An 'effect' is a deviation from the expected (either positive or negative). Objectives can have different aspects (such as financial, health and safety and environmental) and can be strategic, organisation-wide, project based or procedural. Risk is often characterised by reference to potential events and consequences or a combination of these. Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.
Risk Management	Coordinated activities to direct and control an organisation with regard to risk, which may include a policy (outlining the overall intentions and direction of an organisation related to risk management), and a framework - a set of components that provide the foundations and organisational arrangements for designing, implementing monitoring, reviewing and continually improving risk management throughout the organisation. (Refer ISO Guide 73: 2009 - AS/NZS 31000: 2009 - Risk Management Standard).

Responsibility/Accountability:

Risk Management is the responsibility of all employees. All employees are accountable for managing risk in their own area of responsibility and will play a part in the risk management process to differing degrees.

After risk management training is implemented across the organisation, all staff are required to comply with Risk Management principles, framework and practices.

Executive Management Group will create a risk aware environment where managers are accountable for managing risks within their work areas. In each area, risks should be anticipated and reasonable proactive protective measures / risk treatments should be taken. Management and supervisory staff will create a work environment for staff which encourages openness and honesty ensures there is no hesitation of reporting identified risks or escalations of risks, for fear of recrimination.

Monitoring, Reviewing and Reporting:

A monitoring and reporting process / system has been implemented which provides 6 monthly reports to the Executive Management Group, Management Coordination Group, Audit Committee and Council on the status of Risk Management within the Shire of Broome.

Document Control Box							
Document Responsibilities:							
Owner:	Director Corporate Services			Owner Business Unit:	Corporate Services		
Reviewer:	Manager Governance, Strategy & Risk			Decision Maker:	Council		
Compliance Requirements:							
Legislation:							
Industry:							
Organisational:							
Document Management:							
Risk Rating:	Low	Review Frequency:	Triennial	Next Due:	12/2023	Records Ref:	
Version #	Decision Reference:		Synopsis:				
1.	28 October 2010		Initial Adoption				
2.	12 December 2019		Review and converted to new Policy Template				