



# Risk Management Policy

Version 10

Approval Date: 8 April 2024

## Document Control

Responsible GM	Tim Ellis	
Division	Regional City Strategy & Transition	
Last Updated (who & when)	Senior Compliance Officer	2023
DOCUMENT HISTORY		
Authority	Date	Description of change
CEO	30 June 2016	Policy rewrite
CEO	1 October 2018	Policy review and update to reflect revised Standard AS/NZS 31000:2018 Risk management - Guidelines Inclusion of risk response table and appetite statement Inclusion of high-level overview of risk assessment process
CEO	13 August 2019	Inclusion of updated Risk Appetite Statement
CEO	July 2021	Policy review and update to reflect revised Department of Treasury and Finance Risk Management Framework 2020 and LGA 2020
CEO	September 2023	Minor administrative update. Update to risk appetite section.
References	Refer to page 8 of this policy	
Next Review Date	April 2028	
Published on website	Yes	
Document Reference No		

## RISK MANAGEMENT POLICY

### Background

Latrobe City Council ('Council') recognises that risk exists in all aspects of its business. Risk management is an integral part of Council's strategic management and planning process and Council is committed to managing risk in order to achieve its vision, mission and services.

### Objective

To embed risk management into the way we do business and the conduct of all of our operations to achieve our operational and strategic objectives.

### Scope

This policy applies to the exercise, performance and discharge of all duties, functions and powers of Latrobe City Council.

### Policy Principles

- Risk management contributes to value creation and protection
- Risk management is critical to the effective delivery of services and in achieving Council's operational and strategic objectives
- Council is committed to managing risk in accordance with the process set out in AS/NZS ISO 31000:2018); Risk management - Guidelines (the Standard)
- Council will integrate risk management into the organisation, and consider risk in decision making and business planning;
- Every employee, Councillor and other workplace participants are accountable and responsible for managing risk
- Senior management ensure that risk management is integrated into all organisational activities and demonstrate leadership and commitment

### Policy Statement

Latrobe City Council is committed to effectively identifying and managing its organisational risk and will:

- maintain a risk management methodology that is consistent with the Standard, contributes to sound risk identification and management practices, and increases community confidence in Council's overall performance;
- ensure that the consistent and systematic application of risk management results in maximising community outcomes, managing uncertainty, minimising the impact of adverse events and effectively leveraging the benefit of opportunities;
- consistently reinforce risk identification and management as an integral factor to achieving strategic and operational objectives, build and maintain a positive risk culture, protect people and assets, and safeguard financial sustainability into the future;
- understand its risk profile and make informed decisions on setting risk tolerance levels; and

**WARNING - uncontrolled when printed.**

Page 3 of 5

Responsible Division	Regional City Strategy & Transition	Approved Date	8 April 2024	Review Date	April 2028
----------------------	-------------------------------------	---------------	--------------	-------------	------------

- maintain a structured risk management framework that guides employees through the risk management process to enable the effective identification, analysis, evaluation, treatment, reporting, monitoring and communication of risk throughout the Council.

## Risk assessment process

The Risk Management Operational policy sets out Council's approach to risk management through a common framework to support the principles of this policy. It sets out the process for risk assessment, including regular review of strategic and operational risk registers as well as an annual review incorporated into the business planning process, and details how risks will be assessed and rated. The Operational Policy identifies responsibilities in relation to risk identification, assessment, control, monitoring, and reporting on risks and risk controls. Generally, strategic risks are assigned to the Chief Executive Officer (CEO) or relevant General Manager, while operational risks are assigned to the relevant manager/s. The Audit and Risk Committee oversees risk management for the organisation.

## Risk Appetite

Risk appetite is the amount and type of risk that Council is prepared to pursue, retain or take. It is expressed in the form of a statement which covers a number of critical risk categories. Risk appetite is reviewed and reported on as part of the review of the annual risk profile.

Council is not averse to accepting risk if a thorough risk assessment has been undertaken and risk mitigation strategies to manage or reduce the risk have been developed.

Further to this, Council recognises that in order to achieve its objectives and capitalise on opportunities, it will accept some level of well managed risk inherent in the following activities:

- Improvements to services;
- Improved efficiency of Council operations;
- When short term resistance may be experienced but long term gains are proven.
- Activities that enable Latrobe City's economic transition.

Council has a very low appetite for risk that may:

- Compromise the safety and wellbeing of staff, children, volunteers, third party agents and members of the community. Council will seek to mitigate these risk as far as reasonably practicable;
- Constitute a breach of Regulation and Legislation. While minor breaches may occur due to human error and/or the complexity of our organisation, acts of fraud, corruption, collusion or theft will not be tolerated.
- Damage Council's reputation or ability to meet our community's expectations.

## Evaluation and Review

This policy will be reviewed on request of Council or in the event of significant change in the Executive Team, significant changes to legislation applicable to the subject matter of the

Responsible Division	Regional City Strategy & Transition	Approved Date	8 April 2024	Review Date	April 2028
----------------------	-------------------------------------	---------------	--------------	-------------	------------

policy, on the recommendation of Council's Audit and Risk Committee or at least every four years.

## Related Documents

- *Risk Management Plan*
- *Risk Management Operational Policy*
- *Fraud and Corruption Control Policy*
- *Business Continuity Plan*
- *OHS Policy*

## Reference Resources

- *AS/NZS ISO 31000:2018 Risk management - Guidelines.*
- *Local Government Act 2020*
- *Occupational Health and Safety Act 2004*
- *Victorian Government Risk Management Framework 2020*

Responsible Division	Regional City Strategy & Transition	Approved Date	8 April 2024	Review Date	April 2028
----------------------	-------------------------------------	---------------	--------------	-------------	------------