

POLICY

TITLE:	Organisational Risk Management Policy		
DIRECTORATE:	Finance		
ADOPTED BY:	Council Resolution:		
DATE OF ADOPTION:	29 November 2024	DATE OF REVIEW:	29 November 2026
POLICY NUMBER:	133		
LEGISLATIVE REF:	<i>Local Government Act 2019; Part 2.3</i> <i>AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines</i> <i>Work Health and Safety (National Uniform Legislation) Act 2011</i> <i>Fair Work Act 2009</i> <i>Various Work Health & Safety Codes of Practice</i> <i>All relevant legislation applicable to all Council activities</i>		

1. INTRODUCTION

1.1. Purpose

Barkly Regional Council (BRC) is committed to a structured approach to the management of risks; and this approach forms part of the broader governance and leadership frameworks. This Policy outlines BRC's framework for risk management, as supported by relevant procedures.

1.2. Scope

This Policy applies to Elected Members and has application to all BRC operations covering employees, consultants, contractors, volunteers and other relevant workplace participants who operate within, or represent Council, and/or who can be affected by Council operations.

This Policy applies across all functions of Council and is not to be misunderstood as only having application to Work Health & Safety.

1.3. Definitions

Risk means the likelihood of something happening that will have an adverse impact upon objectives, and/or harmful consequences. Risk is measured in terms of consequences and likelihood and covers threats and opportunities.

Risk management means a set of coordinated activities applied to direct and control risk.

Risk appetite is defined in the Risk Management Standard as the amount and type of risk an organisation is willing to accept in pursuit of its business objectives.

Organisational Risk Register is Council's document which records all of Council's identified risks, the likelihood and consequences of a risk occurring, the actions being taken to reduce those risks, and who is responsible for managing them.

Risk Control is a measure that maintains or modifies risk and may include, but not limited to, a process, policy, device, practice, or another actions.

Consequence is the most probable outcome of the event (the impact).

Likelihood is the probability that something might happen.

Hierarchy of Control is a system for controlling risks in the workplace, which ranks risk controls from the highest level of protection and reliability through to the lowest and least reliable protection.

1.4. Responsibilities

All persons within scope of this Policy are recognised as having responsibilities under this Policy and its associated procedures.

The Chief Executive Officer (or authorised delegate) is accountable for the overall management of this Policy. The Chief Finance Officer (CFO) is the risk framework owner.

The Audit and Risk Committee reviews the effectiveness of the risk management framework and associated procedures.

All workers are responsible for identifying, assessing, controlling and reporting hazards and risks.

1.5. Policy Objectives

- 1) Adopt a best practice risk management approach consistent with the risk management principles and framework outlined in the Australian/New Zealand Standard for Risk Management - Guidelines (AS/NZS ISO 31000:2018).
- 2) To have an established organisational governance risk framework covering strategic and operational management and the risk controls in place to manage hazards and events.
- 3) Develop a positive risk culture and awareness through education, training, communication, reporting and management of risk.
- 4) Maintain an Organisational Risk Register to enable Council to effectively record, monitor and control organisational risks.

2. POLICY STATEMENT

2.1 Policy

- 1) Risk Management considers internal and external organisational influences and assists in setting strategy, achieving objectives, making informed decisions and guiding continuous improvement in management systems.
- 2) The principles considered within this Policy and its associated procedures consider risk management to be:
 - a. an integrated and integral component of organisational activities
 - b. inclusive of stakeholder views and perceptions
 - c. customised to include internal and external organisational requirements
 - d. dynamic to respond to environmental and future changes
 - e. operating within a structured and communicated framework
 - f. led by demonstrated commitment by Elected Members, Senior Management and staff.

3. RISK MANAGEMENT PROCESS METHODOLOGY

The standardised process methodology within BRC's risk management framework is:

- a. Identify hazards
- b. Assess risks
- c. Control risks
- d. Review control measures

4. ORGANISATIONAL RISK REGISTER

An Organisational Risk Register is maintained which applies to significant risks which have been identified as having a significant impact to Council. This Risk Register outlines these risks by category; identifying the potential hazards, control measures and degree of risk, and applies a priority rating to each as well as allocation of responsibility for the risk. Please refer to the *Organisational Risk Register* for further information.

5. RISK REGISTER (PROFILE) CATEGORIES

The following categories of risks have been identified at BRC:

Risk Category	Description
Strategic	Risks which may impact Council's ability to meet its strategic objectives or broader regional plans, or which may affect Council's reputation
Operations	Risks which arise in daily operations, and which may require specific response and monitoring regimes in order to continue to deliver services to the community; and/or to carry out operations safely
Legal & Regulatory	Risks that result in exposure to legal action, or may result in legal penalties, fines or material loss where Council fails to act in accordance with its policies, laws and regulations or prescribed best practices either internally or within the community
Financial	Risks which affect the financial viability of Council and its ability to deliver services to the community it serves; including investment options
Infrastructure	Risks associated with engineering, planning, design, construction and maintenance of Council infrastructure and assets
Project	Risks that are specific to major projects which affect Council operations, council personnel and/or the community or parts of the community
Environment & Waste	Risks which have the potential to cause harm to the environment, and/or environmental or waste assets and infrastructure
Industrial Relations	Industrial relations risks arising out of non-adherence to a large range of IR/HR legislation and requirements
Health & Safety	Risks that have the potential to cause harm or injury to workers and the general public
Information Technology	Risks that may negatively impact the delivery of Council's ITC services, assets, infrastructure and data including cyber security and safety of personal information and data obligations
Business Continuity	Risks which may impact the ongoing delivery of business operations or services, arising from emergencies or disasters affecting Council, its personnel and/or the region it serves

6. RISK APPETITE

- 1) Council has an obligation to the community to ensure that it does not accept high levels of risk that might impact on community wellbeing, amenity or the ongoing sustainability and viability of Council.
- 2) The risk appetite tolerances for BRC are established on the identified residual risk for each consequence (impact) category for Council. Once a risk is identified, it is initially measured in accordance with the risk framework. Controls are then put in place to reduce the risk to as low as reasonably practicable (ALARP).
- 3) Some risks are unable to be reduced to the lowest level and may need to be accepted by BRC even though the residual risk rating level may exceed organisational tolerances. In these cases, residual risks will be monitored, reported and periodically reassessed in accordance with the risk framework, policies and procedures.
- 4) The risk assessment approach which is adopted throughout Council is outlined in **Table A** below. Throughout Council there are various risk assessments procedures and forms which incorporate this risk assessment methodology.

5) Below is an excerpt from the *Organisational Risk Register*, which outlines the parameters and significance of the consequences which must be considered when carrying out risk management processes.

Table A – BRC Risk Consequences Guide

Consequence guide	Critical factors					
	Safety	Standards of care	Reputation	Environment	Cost	Legal/contractual
Catastrophic	Would cause loss of life	Severe impact to the standards of care resulting in loss of patient / QVSB complaint	Organisational reputation destroyed or damaged impacting on staff turnover.	Catastrophic environmental disaster or widespread disease outbreak	>\$50,000	Multiple major litigations and/or loss of contracts
Major	Would cause serious injuries resulting in long term impairment	Considerable impact to the standards of care resulting in multiple complaints	Organisational reputation severely damaged impacting on staff morale.	Extensive environmental damage or regional disease outbreak	>\$5,000 - <\$50,000	Single major litigation and/or loss contract
Moderate	Would cause serious injury resulting in hospitalisation but no long term effects	Moderate impact to the standards of care resulting in a complaint	Regional reputation damaged with localised impact to staff morale	Some environmental damage or localised disease outbreak	>\$500 - <\$5,000	Legal advice and assistance required and/or loss of contract
Minor	Would cause minor injuries that require medical attention offsite with no long term effects	Minor impact to the standards of care resulting in no complaints	Clinical Reputation damaged with clinic morale impacted.	Minor environmental damage or no disease outbreak	\$0 - <\$500	Threat of litigation and/or breach of contract
Insignificant	Would cause minor injuries that require medical attention onsite with no long term effects	No impact to the standards of care and no complaints	No reputation damage or loss of morale	No environmental damage or disease outbreaks	\$0	No legal issues and no effect to contract performance

Table B – BRC Risk Matrix

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Severe
Almost Certain	Medium	High	Extreme	Extreme	Extreme
Likely	Medium	Medium	High	Extreme	Extreme
Possible	Low	Medium	Medium	High	Extreme
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

Consequence - Evaluate the consequences of a risk occurring according to the ratings in the top row

Descriptor	Level	Definition
Insignificant	1	No injury
Minor	2	Injury/ ill health requiring first aid
Moderate	3	Injury/ill health requiring medical attention
Major	4	Injury/ill health requiring hospital admission
Severe	5	Fatality

Likelihood - Evaluate the likelihood of an event occurring according to the ratings below

Descriptor	Level	Definition
Rare	1	May occur somewhere, sometime ("once in a lifetime / once in a hundred years")
Unlikely	2	May occur somewhere within the workplace over an extended period of time
Possible	3	May occur several times across the workplace or a region over a period of time
Likely	4	May be anticipated multiple times over a period of time. May occur once every few repetitions of the activity or event
Almost Certain	5	Prone to occur regularly It is anticipated for each repetition of the activity of event

7. AUDIT AND RISK COMMITTEE

- 1) The Audit and Risk Committee is an advisory body established under section 86 of the *Local Government Act 2019*.
- 2) The Audit and Risk Committee plays a central role in independently reviewing Council's internal control processes to provide the CEO and Elected Members with a level of assurance on the effectiveness of the Council's financial and corporate governance practices as well as compliance with legislative and regulatory requirements.
- 3) The Audit and Risk Management Committee will assist in identifying areas where changes are required to reduce the risk of Council's exposure to fraud or unauthorised transactions.
- 4) The role of the Audit and Risk Management Committee includes:
 - a. Monitoring the effectiveness of the audit function and the implementation of audit recommendations
 - b. Providing an independent line of reporting by the auditor to Council
 - c. Reviewing compliance with legislative requirements, contracts, standards, and best practice guidelines
 - d. Reviewing and recommending to Council the annual financial statement
 - e. Monitoring changes in accounting and reporting requirements
 - f. Reviewing policies relating to codes of conduct, conflicts of interest, misconduct, fraud, and revenue.

8. RELEVANT POLICIES

Policies and procedures to be read in conjunction with this policy are:

- 1) Organisational Risk Register
- 2) Various operational Risk Management Procedures (hinged to this Policy)
- 3) BRC Regional Plan
- 4) Financial Management Policy
- 5) Work Health & Safety Policy
- 6) Human Resources Management Policy
- 7) All other relevant Council Policies and Procedures

9. IMPLEMENTATION AND REVIEW

9.1. Implementation

Relevant personnel will be made aware of this Policy. It is not a requirement of the Act for this Policy or its Register to be published on the Barkly Regional Council website.

9.2. Review

This policy will be reviewed on or before 29 November 2026.

10. VARIATIONS, REVOCATIONS AND/OR CHANGES

Barkly Regional Council reserves the right to revoke and/or amend this policy from time to time as is considered necessary to better manage its business and/or to comply with any legislative requirements.

11. APPROVAL

This policy is approved.

Chris Kelly
Chief Executive Officer



Signature

29 Nov 2024

Dated

END