



NORTHERN MIDLANDS COUNCIL

POLICY MANUAL

RISK MANAGEMENT

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Revised 21 January 2013 – Min. No. 08/13
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Applicable Legislation: Reference: AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines

Objective The objectives of the Policy are to:

- Identify and analyse Council's liability associated with risk
- Promote and support risk management practices throughout the Council
- Encourage the identification and reporting of potential risks
- Recognise that successful risk management relies on input from ALL employees & stakeholders

Protect Council's corporate image as a professional, responsible and ethical organisation

Administration: Corporate Services

Review Cycle/Date: Next review 2020.

1. POLICY STATEMENT

Northern Midlands Council is committed to systematically managing risk which arises from daily business activities providing and maintaining a healthy and safe living environment for the general community within all Council controlled areas. Council recognises that risk management is an essential tool for sound strategic and financial planning and the ongoing physical operations of the organisation.

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In order to achieve these objectives, this Risk Management Policy has been introduced and adequate funds and resources will be provided to ensure the following outcomes:

- Identify and analyse Council's liability associated with risk;
- Encourage the identification and reporting of potential risks;
- Minimise any potential liabilities;
- Protect the community against losses that are controllable by Council;
- Reduce the cost of insurance premiums;
- Provide a basis for higher standards of accountability;
- Set performance standards and regularly review practices and procedures;
- Allow for more effective allocation and use of resources;
- To promote and raise the awareness of Risk Management practices throughout the organisation; and
- Protect Council's corporate image as a professional, responsible and ethical organisation.

The above objectives will be achieved by managing risks in accordance with the AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. This involves logically and systematically identifying, analysing, assessing, treating and monitoring risk exposures that are likely to adversely impact on Council's operations. Specifically, this includes the following areas of losses:

- Personnel (Workplace Health and Safety);
- Plant and Property



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- Liability (including Public Liability and Professional Indemnity);
- Financial;
- Business interruption.

The purpose of this policy is to provide a framework for the management of risk, and define the responsibilities of staff and management in the risk management process.

2. LINK TO COUNCIL'S STRATEGIC PLAN

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

- it enables the information of contemporary risk management initiatives across all levels of the Council;
- if 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, quality management and customer service.

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

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

3. RESPONSIBILITIES

Councillors, management, employees and contractors all have a joint responsibility of making risk management a priority as they undertake their daily tasks in the operations of Northern Midlands Council. 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.

3.1 COUNCILLORS

- Are committed to best practice risk management in order to benefit the community and manage costs;
- Provide the support and basis on which the risk management policy can be implemented. This includes listing risk management as a priority in Council's Strategic Plan.
- Ensuring risk management issues are considered in decision making
- Ensuring there is adequate budgetary provision for the implementation and maintenance of this policy.
- Responsible for approving the risk management policy and risk management strategy.

3.2 GENERAL MANAGER

- Recognising and adopting risk management as a key function of the organisation
- Ensuring risks are managed in accordance with the AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines.
- Development and provision of awareness and training throughout Council and
- Provide risk management related information, as requested by Council.

3.3 BUSINESS UNIT MANAGERS

- Ensuring that Council's assets and operations, together with liability risks to the public, are adequately protected through appropriate risk financing and loss control programs and measures.
- Maintaining overall responsibility for the effective management of all types of risks related to this policy across Council's operations.
- Providing risk management related information as requested by Council.
- Preparing and implementing documented procedures for each aspect of operations under their control and/or direction.
- Monitoring and auditing practices and processes to ensure they are appropriate to current conditions and



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practices.

- Immediately act upon information provided by employees or residents who are reporting a hazard or incident through the Customer Request system to ensure the risk is eliminated or mitigated so far as reasonably practicable.

3.4 SUPERVISORS

- Providing assistance and requested information in relation to any insurance claim or risk management issue, in a timely manner.
- Ensuring that Council responds immediately to any report of a hazard or incident received from a resident, employee or visitor.
- Advising of any risk management matter that should be incorporated in forthcoming budgets.

3.5 EMPLOYEES

- Familiarising themselves with Council's risk management policy, principles and procedures.
- Making loss control/prevention a priority whilst undertaking daily tasks in Council's operations.
- Reporting and acting on where reasonably practicable any hazard or incidents as soon as possible that may have a potential risk exposure to Council, employees, contractors or the public.
- Providing risk management related information as requested by their business unit manager.

3.6 CONTRACTORS

- Familiarising themselves with Council's risk management policy, principles and procedures.
- Reporting and acting on where reasonably practicable any hazard or incidents as soon as possible that may have a potential risk exposure to Council, employees, contractors or the public.

3.7 RISK MANAGEMENT AND EMPLOYEE SAFETY COMMITTEE

- Coordinating and facilitating risk management operations within the framework provided by AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines.
- Providing advice and assistance to management and employees in the management of risk within their areas of responsibility.
- Developing and providing risk management awareness training throughout Council.
- Monitoring the recommendations and outcomes from risk management audits.

4. IMPLEMENTATION

A comprehensive review of all Council's activities is to be undertaken in order to assess the level of compliance with this 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 practice standards for managing risk within local government.

5. PERFORMANCE REVIEW

This policy will become effective immediately upon approval by Council.

Council will ensure that there are ongoing reviews of its management system to ensure its continued suitability and effectiveness in satisfying the requirements of AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. Records of all reviews and changes shall be documented for future reference.



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RISK MANAGEMENT STRATEGY

Statutory Authority Reference AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines
AS 4000:1997 General Conditions of Contract

Policy: Workplace Health & Safety Policy
Risk Management Policy
“Mapping Our Direction” 2007 – 2017 Strategic Plan

1. DEFINITIONS

- Risk: “effect of uncertainty on objectives”.
- A risk is often specified in terms of an event or circumstance and the consequences that flow from it.
- A risk is measured in terms of a combination of the consequences of an event and their likelihood.
- Risk may have a positive or a negative impact.
- Consequence: “the outcome or impact of an event”.
- There can be more than one consequence from one event.
- Consequences can range from positive to negative.
- Consequences can be expressed qualitatively or quantitatively.
- Consequences are considered in relation to the achievement of objectives.
- Likelihood: “used as a general description of probability or frequency”.
- Can be expressed qualitatively or quantitatively.
- Risk Management: “the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects”. (AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines).
- Stakeholders: Councillors, Managers, All Staff, Contractors, Volunteers, Community Members.

2. INTRODUCTION

Risk Management is critical to the Northern Midlands Council’s ability to achieve the Strategic Objectives contained in the Strategic Plan. The Council has limited human, financial and material resources. Prudent decision making in relation to their use is critical to the Council’s achievement of its endorsed vision of developing the Northern Midlands communities as “vibrant, sustainable and resilient, promoting their diversity and conserving the heritage values of our towns”.

To this end, not only must Council staff identify and minimise threats to the safe and effective employment of Council resources, they also have an obligation to identify and exploit opportunities to make such employment more efficient. By fostering a vibrant Risk Management culture that encourages all staff to systematically apply the principles and procedures outlined in this strategy, the Council seeks to minimise resource waste and ensure that all Council events, activities and projects are undertaken with minimal risk to staff and the general public.

3. STATEMENT OF COMMITMENT

The major risk for most organisations is that they fail to achieve their strategic, business or project objectives, or are perceived to have failed by their stakeholders. The Northern Midlands Council is committed to managing this risk by logically and systematically identifying, analysing, evaluating, treating, monitoring and communicating all risks that directly or indirectly impact on the Council’s ability to achieve the vision and strategic objectives outlined in the Council’s adopted Strategic Plan.

This strategy, when read in conjunction with Council’s adopted Risk Management Policy, Risk Register and Strategic Plan demonstrates the Council’s commitment, by detailing the Risk Management framework to be employed by all staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of



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individuals and committees involved in the Risk Management process. The Council believes that good Risk Management is essential for the successful implementation of the Council Plan, as it:

- Directly supports the achievement of Part 1 – Governance: Strategy 1.2 Human Resource Management; 1.5 Risk Management; 1.11 Insurance Risk Management; 3.8 Community Recovery; 5.6 Emergency Management.
- Indirectly supports the achievement of the Council's other strategic objectives, through:
 - Facilitating innovation, cooperation and the sharing of resources;
 - Enhancing the development and delivery of Council programs;
 - Supporting the Council's key values and ethics;
 - Encouraging a closer working partnership between the Council and the community;
 - Ensuring consultation with all Stakeholders on key issues;
 - Encouraging a proactive approach to problem solving.

4. SCOPE

This Risk Management Strategy will be implemented by all Council departments and across all Council services, functions and activities, whether directly controlled by Council or delivered through third party arrangements.

All employees, contractors, partner organisations and volunteers engaged in the conduct of Council business are to apply consistent, proactive and systematic Risk Management practices in the employment of Council resources and the delivery of Council services. Successful Risk Management relies on input from all stakeholders and ownership of identified risks by responsible staff. To manage risks in accordance with best practice, the Council will observe the principles contained in AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. The Council's established business practices, policies and procedures will be reviewed, to ensure that they are not in conflict with this Standard.

5. STRATEGY PRINCIPLES

The principles of the Strategy are to:

- Identify evaluate and prioritise the Council's risk associated opportunities and threats, with a view to:
 - Exploiting opportunities.
 - Reducing, mitigating, transferring or eliminating threats.
- Promote and support Risk Management processes throughout the Council.
- Recognise that successful Risk Management relies on input from ALL employees and Stakeholders.
- Allow for more effective allocation and use of resources.
- Provide a basis for higher standards of accountability.
- Protect the Council's corporate image as a professional, responsible and ethical organisation and an employer of choice.

6. RISK MANAGEMENT REQUIREMENTS

Risk Management principles shall be a consideration in all Council decision making processes. In accordance with its common law 'duty of care', statutory responsibilities and Council Policy, the Council will ensure that resources are allocated to:

- Minimise the Council's exposure to loss and litigation;
- Protect and enhance the Council's reputation;
- Protect the Council's financial and physical assets;
- Maintain employee Health & Safety programmes.

7. RESPONSIBILITIES

All employees, contractors and volunteers are to be familiar with and competent in the application of the Council's Risk



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Management Policy and Strategy.

Business Unit managers and supervisors are accountable for adherence to this Strategy within their areas of responsibility. Detailed responsibilities are listed at Annexure A.

8. RISK MANAGEMENT PROCEDURE

The Risk Management procedure to be applied within the Northern Midlands Council is based on AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. As these procedures are developed, they will be detailed at Annexure B.

9. RISK MANAGEMENT PRIORITIES AND RESOURCES

The Council accepts that it does not have the resources to immediately address all of the risks it faces. The Executive Management Team (EMT) will annually review and reprioritise all of the risks identified, determine those which must be afforded the highest priority and determine the resources required to address those risks.

These risks will represent the Council's corporate focus for the following 12 months and be included in the Council's budget as a discrete line item. All staff members should note that the absence of a risk from this Strategy does not preclude its management from within departmental resources. Nor is the annual review process inflexible: extreme and high priority risks identified at any time will be assessed and treated in accordance with the procedure described in this Strategy.

10. STRATEGY IMPLEMENTATION

The Council recognises that the implementation of this Strategy represents a significant, but necessary short term workload for all staff involved. A comprehensive review of all the Council's activities will be undertaken in conjunction with the Strategy's implementation, through the development and approval of success measures for all the Council events, projects and activities. This is a significant Council undertaking, but integral to the success of an integrated, comprehensive Risk Management Strategy.

11. PERFORMANCE REVIEW

This Strategy takes effect immediately upon adoption by the Council. It is to be reviewed on an annual basis by the Executive Management Committee, to ensure its continued suitability and effectiveness against the requirements of AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines and the Council's Risk Management Policy. The General Manager shall be responsible for ensuring this review occurs.

Records of such reviews are to be maintained on file. The Risk Management responsibilities detailed at Annexure A are to be incorporated into all Council Position Descriptions and the success measures developed for all staff are to form the basis of annual performance appraisals.

It is important that all staff are made aware of the risk management strategy. Training is a key method for communicating with staff and volunteers about risk management. A Risk Management Strategy is a "working" document. This means that there is a need to constantly monitor, review and update the document.

Although 'monitoring and reviewing' might generally be understood to be one of the last steps in the risk management process, in reality, it's a constant task even before any analysis or assessment is made. In some cases, a manager may be presented with existing risk management arrangements, or a partly completed risk analysis. Nevertheless, the manager must take responsibility for the risk management process.

The imbedding of the Risk Management responsibilities is under the direction of the General Manager and will be incorporated into the annual Staff Appraisal process and Annual preparation. These processes will also assist in the development of a training matrix and programme for the next financial year. This training matrix will assist in identification and closure of potential risk management deficiencies.



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ANNEXURE A

ANNEXURE TO NORTHERN MIDLANDS COUNCIL: RISK MANAGEMENT STRATEGY

RISK MANAGEMENT RESPONSIBILITIES

A.1. THE COUNCIL

The Council will:

- Develop and maintain the Council Strategic Plan.
- Adopt a Risk Management Policy and Strategy to support the Council Plan.
- Ensure that funding is made available to adequately manage the risks identified in the Council's Risk Register.

A.2 GENERAL MANAGER

The General Manager will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards.
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction.
- Ensure that the Council meets its "duty of care" to all staff, volunteers, contractors and the general public and protects its assets and operations through:
 - Education.
 - Appropriate risk financing.
 - Adequate loss control programs and measures.
- Monitor and evaluate the performance of Business Unit Managers against their Risk Management responsibilities.
- Contribute to the analysis of all potential and actual high loss incidents (in excess of \$10,000 or more than one night in hospital).
- Lead Executive Management Team in the maintenance of the Council's Business Continuity recovery program.
- Assist the Council in the development and maintenance of the Council Strategic Plan.
- Develop agreed and assessable success measures with all Business Unit Managers, to support the Strategic Objectives contained in the Council Plan.
- Assist Business Unit Managers in the identification, evaluation and mitigation of risks associated with their success measures.
- Lead the Executive Management Team in the development and implementation of Risk Action Plans for all risks assessed as Extreme.
- Promote Risk Management as a vital business principle.

A.3 EXECUTIVE MANAGEMENT TEAM

The Executive Management Team will:

- Monitor the implementation of the Risk Management Policy and this Strategy across the organisation.
- Approve or modify all entries in the Council's Risk Register.
- Approve or modify the Council's Risk Management training program.
- Direct actions to be taken in relation to annual Risk Management Audit Reports.
- Oversee the Council's Business Continuity recovery program.
- Assist the Council in the development and implementation of the Council Strategic Plan.
- In conjunction with the General Manager, develop and implement Risk Action Plans for all risks assessed as Extreme.



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- Approve and monitor Plans once developed.

A.4 BUSINESS UNIT MANAGERS

Individual Business Unit Managers will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction.
- Ensure that proposed events and projects within their jurisdiction are not approved without a formal risk assessment that effectively identifies and manages all the risks associated with them.
- Monitor and evaluate the performance of managers against their Risk Management responsibilities through the annual appraisal system.
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital).
- The Community and Economic Development Manager will lead Departmental input into the Council's Business Continuity recovery programme.
- Assist the Council in the development and maintenance of the Council Plan.
- Develop approved Departmental Plans to support the Council Plan, linking all Departmental Objectives to the Council's Strategic Objectives.
- Develop agreed and measurable success measures in conjunction with all subordinates, to support Department Plan objectives.
- Assist managers in the identification, evaluation and mitigation of risks associated with their success measures.
- Monitor all risks and associated Risk Management Plans entered into the Council's Risk Register which fall within their jurisdiction.
- Promote Risk Management as a vital business principle.
- The Manager of Corporate Services will
 - lead the management Council insurance policies, to ensure that the Council has adequate cover for:
 - Public Liability.
 - Professional Indemnity.
 - Fidelity.
 - Industrial Special Risks/Property.
 - Motor Vehicle.
 - Other general insurance, as required.
 - Manage all under excess insurance claims on the Council's behalf.
 - Coordinate the Council's cooperation with insurers and/or solicitors in the investigation and defence of over excess claims.

A.5 MANAGERS/FOREMAN/SUPERVISORS

Individual managers/ supervisors will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards.
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction.
- Monitor and evaluate the performance of Team Leaders against their Risk Management responsibilities.
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital).
- Contribute to the maintenance of the Council's Business Continuity recovery programme.



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- Assist their Business Unit Manager in the development and maintenance of the Department Plan.
- Develop approved Management Plans to support their Departmental Plan, linking all Management Objectives to Departmental Objectives.
- Develop agreed and measurable success measures in conjunction with all subordinates, to support Management Plan objectives.
- Assist subordinate staff in the identification, evaluation and mitigation of risks associated with their success measures.
- Enter all risks within their jurisdiction onto the Council's Risk Register and manage them.
- Contribute to the development and implementation of Risk Action Plans for all risks within their jurisdiction assessed as Extreme.
- Keep staff appropriately informed of all changes relating to registered risks.
- Advise of any risk issues within their jurisdiction that should be incorporated in forthcoming budgets.
- Ensure that the induction process for all new employees in their area includes:
 - The Council's Risk Management Policy and Strategy.
 - An overview of the Council's cascading plans and their contribution to the relevant objectives at each planning level.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Ensure that the Council responds immediately to any report of a hazard or incident received from a resident, employee or visitor.
- Promote Risk Management as a vital business principle.

A.6 ALL STAFF

All staff members are to:

- Understand and observe the Risk Management Policy, Strategy and related procedures.
- Assist their manager in the development and maintenance of the Management Plan.
- Develop agreed and measurable success measures to support the Management Plan's objectives.
- Assist their manager in the identification and management of risks to be entered into the Council's Risk Register.
- Contribute to the development and implementation of Risk Action Plans and strategies within their jurisdiction.
- Identify, evaluate and mitigate risks associated with their agreed success measures.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Make loss control/prevention a priority whilst undertaking daily tasks in the Council's operations.
- Perform their duties in a manner which does not represent an unacceptable level of risk to the health and safety of:
 - Themselves.
 - Other employees including volunteers.
 - The Council's customers or visitors.
 - Contractors.
 - The wider community.
- Report any illness, injury, hazard, near miss or incidents and losses as soon as they are detected to their manager or supervisor. Individuals should take steps to eliminate or mitigate hazards identified where reasonably practicable prior to reporting.
- Encourage the public to respect Council property

A.7 EVENT AND PROJECT MANAGERS/ENGINEERS

In addition to their generic responsibilities under this Strategy, Event and Project managers/engineers are to undertake and document a formal risk assessment for all proposed events/projects, prior to their submission for funding consideration. This assessment must:



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- Consider known risks identified for similar events/projects.
- Identify unique risks associated with a particular event/project.
- Where possible, modify the event/project's design to eliminate or at least minimise these known risks.
- Where risks cannot be eliminated through redesign or re-engineering, establish plans to mitigate the risk to an acceptable level during an event or after a project's completion or implementation.

A.8 CONTRACT/TENDER MANAGERS

In addition to their generic responsibilities under this Strategy, Contract/Tender managers are to:

- Ensure that tenders issued and contracts let by the Council comply with the risk management, insurance and indemnity requirements of Australian Standards and conform to the intent of the Council's Risk Management Policy and Strategy.
- Manage contracts to ensure their compliance with the above.

A.9 RISK MANAGEMENT COORDINATOR

In addition to his or her generic responsibilities under this Strategy, the Risk Management Officer will:

- Provide advice and assistance to all the Council staff in relation to the development and implementation of an effective Risk Management System that observes the principles of AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines.
- Encourage all Council staff, business partners, contractors and volunteers to actively employ Risk Management in their decision making processes.
- Assist all staff with the procedural aspects of Risk Management.
- In conjunction with the General Manager:
 - Develop and review the Council's Risk Management Policy and Strategy.
 - Review and respond to annual Risk Management Audit Reports.
 - Develop a Risk Management training program for the Council.
 - Develop a report on Council's achievements against its Risk Management Policy and Strategy over the previous year, for inclusion in Council's Annual Report.
- Maintain the Council's Risk Register:

A.10 WORKPLACE HEALTH AND SAFETY COMMITTEE

The Workplace Health and Safety Committee will monitor the Council's risk environment, as part of its functions. Members of the Committee will receive training appropriate to their role. The Committee will:

- Ensure the Council's Risk Management practices operate within the framework provided by AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines, relevant legislation and Council policy.
- Review annual Risk Management Audit Reports and make recommendations to EMT.
- Develop, implement and review a Risk Management training program for the Council utilising information received from the staff appraisal process.
- Report progress to the EMT after each meeting.

A.11 WHS RESPONSIBILITIES

WHS and Risk Management are closely linked, but separate functions within the Council. The Workplace Health and Safety Committee will be comprised of individuals selected to ensure coverage of the Council's key risk areas. Broadly, these risk areas are:

- Physical Assets
- Recreation / Open Space
- Corporate Governance



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- Human Services
- Fiduciary Control
- Contract Management
- Operations
- Planning and Compliance
- Information Management



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ANNEXURE B

ANNEXURE TO NORTHERN MIDLANDS COUNCIL: RISK MANAGEMENT STRATEGY

RISK MANAGEMENT PROCEDURE

This procedure is based on the Australian Standard AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. It details the common methodology to be used to assess and address the level of risk inherent in the Northern Midlands Council activities. For guidance in relation to the application of this procedure or assistance in the conduct of risk assessments, contact the Risk Management Officer.

B.1 COMMUNICATE AND CONSULT

Has everybody who needs to know been contacted, involved, informed and kept up to date?

Communication and consultation are important considerations at each stage of the Risk Management process. They should involve a dialogue with all stakeholders (both internal and external) with a focus on consultation, rather than a one-way flow of information from the decision maker to the stakeholders. All Stakeholders must be confident that their views have been appropriately considered and that they have been kept informed of the actions being taken and the reasons behind those actions. This may extend to sending a report to all Stakeholders, regarding the success or otherwise of risk controls put in place as a result of the Risk Assessment being conducted. Broad "ownership" of the risk and the plans to manage it is essential to a successful Risk Management outcome.

B.2 ESTABLISH THE CONTEXT

The first step in Risk Management is to establish the context of the risk. This can be done by asking a series of questions, such as:

- What do we want to do or achieve? Define the desired outcomes of the event, activity or project.
- How will we know we have been successful? Identify the success measure or measures for each desired outcome. For established activities, success measures should have been developed and agreed during the development of the Council's hierarchy of plans.
- Who will be involved in or affected by what we want to do? Identify the major Stakeholders for this activity, both internal and external to the Council.
- Do any of the Stakeholders need to be involved in the Risk Assessment? All Stakeholders who may feel that they have a right to be consulted should be. A formal risk assessment should not proceed until all appropriate Stakeholders can be assembled and/or consulted. All Stakeholders who are actively involved in the achievement of your success measures must be involved in the Risk Assessment.
- What records do we need to keep? The likely consequences of the decisions to be made and the importance of future stakeholders (including the Courts) being able to understand why these decisions were made, will dictate the level of record keeping required. As a minimum, the electronic Risk Assessment Form mentioned earlier should be used for all risks assessed as moderate or above. Decisions concerning the making and capturing of records should take into account:
 - The legal and corporate governance needs for records.
 - The cost of creating and maintaining records.
 - The benefits of re-using information in the future.
 - What criteria will we use to analyse the risk? Criteria may be either qualitative or quantitative in nature.
 - How will the rest of the risk management process be structured? Determine the elements or steps that the activity/event/project can be subdivided into to create a logical framework that helps ensure significant risks are not overlooked.



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B.3 IDENTIFY THE RISKS

What, where, when, how and why can things happen to prevent us from achieving our success measures? Risks that have not been identified cannot be assessed. Alternative methods to identify risks include:

- A brainstorming session with all Stakeholders.
- Checklists developed for this or similar events/activities/projects.
- An examination of previous events/activities/projects of this type.
- The constitution of an Experienced Panel to consider the event/activity/ project.
- Risk areas may include, but are not limited to:
 - Management (planning, supervision, leadership).
 - People (competence, skills, experience, reliability, safety, training, insurance).
 - Property and other Assets (availability, suitability, damage, insurance).
 - Financial (funding, sponsorship, salaries, budgeting, control).
 - Regulatory/Legal (statutory requirements, committee duties and responsibilities, Duty of Care to Stakeholders).
 - Political (community participation and support, Government policies, risk of adverse publicity).
 - Weather (heat, cold, rain, fire ban, fog).
 - Communication (Memorandum of Agreement/Memorandum of Understanding required, meetings, marketing, methods and frequency of contact?).
 - Anything else you can think of (nobody knows your activity better than you!)
- All risks identified should be communicated to your immediate supervisor, if he or she not participated in the risk identification exercise.

B.4 ANALYSE THE RISKS

How big are the risks we have identified? Determine how likely a risk is to occur and how large the impact would be if it did occur. These tables are generic in nature and careful consideration should be given to their applicability for the specific risk profile being assessed.

B.5 EVALUATE THE RISKS

Are there any controls already in place? Determine if there are any existing controls already in place to address the identified risks. Existing controls could include any policies, processes or procedures established to:

- Eliminate or reduce the likelihood of a risk occurring.
- Mitigate the impact if a risk does occur.
- Share or transfer the identified risk (eg: insurance and /or indemnity clauses).
- Once existing controls have been identified, risks need to be re-evaluated and prioritised, to ensure that the greatest risks are addressed first. The process to follow is:
 - Note any existing controls identified against the appropriate risks in the interim Risk Register.
 - Re-assess the risk in light of existing controls and adjust its Risk Level accordingly.
 - Make a recommendation as to whether the risk is considered to be acceptable or unacceptable, with the reasons why.
 - Forward a copy of the completed risk assessment and recommendation to the Risk Management Officer, who will then present all information to the Risk Management Committee for confirmation or modification of the recommendation and Risk Level.
- If the risk is deemed unacceptable (a confirmed Risk Level of moderate or above), it will then be:
 - Prioritised in relation to other registered risks (considering the confirmed Risk Level rating, the nature of the people and/or property at risk and the impact on the Council's reputation and credibility, should the risk event occur).



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- Presented to the Executive Management Team for approval or modification.
- Entered onto the Council Risk Register.

B.6 TREAT THE RISKS

What are we going to do about the risks we have identified? After a risk has been entered onto the Council Risk Register, options to treat it must be considered and action plans developed. Risk Action Plans must detail:

- The actions which will be taken to address the risk.
- The manager responsible for ensuring that the Risk is addressed (Responsible Manager).
- When the specified actions are to be completed by.
- Unless actions are determined and responsibilities for them are allocated, the Risk Identification and Assessment processes will have been wasted. The outcome of any actions specified should be to (in priority order):
 - Eliminate the possibility of a risk occurring.
 - Reduce the likelihood of occurrence to an acceptable level.
 - Mitigate (reduce) the consequences, should a risk occur.
 - Transfer or share the risk, generally through insurance or contracting out.

Actions to be taken in relation to specified Risk Levels are:

- Extreme – immediate action to be initiated and Risk Action Plans to be developed and implemented under the direct control of the Executive Management Team and General Manager. All documentation must be retained for future reference.
- High – action timeframe to be determined by Executive Management Team, with Risk Action Plans developed by Responsible Business Unit Manager/s for Executive Management Team approval.
- Moderate – action timeframe determined and Risk Action Plans developed by Responsible Manager/s, with relevant Business Unit Manager/s kept informed of progress.
- Low – Responsible Managers develop or modify policy or procedure to address the risk. If necessary, a simple Risk Action Plan can also be developed,
- Insignificant – Risk noted and treated appropriately by those affected.

Remember, all risks identified as Moderate and above are to be entered into the Council Risk Register.

In a climate of constrained resources, careful consideration must be given to how resources are allocated to action plans. You may find it more valuable to reduce higher priority risks to an acceptable level, rather than eliminate them altogether and then use any resources saved to address lower priority risks. Finally, consult your supervisor and any Stakeholders who may not have been available the Risk Assessment, to ensure that you have left nothing out.

B.7 MONITOR AND REVIEW.

Have we got it right? Registered risks will remain open until they have been reduced and accepted, or eliminated. The Responsible Manager is to monitor the risk to ensure that agreed actions are being taken and review the risk levels, to reflect changes made. Whenever an action is taken against an Action Plan, the Responsible Officer is to notify the Responsible Manager, who will:

- Assess the effectiveness of the action taken.
- Reassess the Action Plan to:
 - Confirm its continued applicability; or
 - Determine any changes that may now be required.
- Reassess the risk rating and notify the Risk Management Officer of the new suggested rating.
- The details of the reassessment will then be confirmed or modified to determine whether or not the risk rating should be adjusted.

Once all directed actions have been completed, the risk will be re-assessed by the Responsible Manager and a decision



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made as to its acceptability or otherwise. If a risk is considered to be unacceptable, further action needs to be taken to address that risk. No activity should proceed with a risk that has been identified as unacceptable. If in doubt, all Stakeholders involved with the original Risk Assessment are to be consulted, prior to a risk being closed off.

B.8 RECORD THE RISK MANAGEMENT PROCESS

Each stage of the Risk Management process must be recorded appropriately, as determined during the “Establish the Context” step. For risks assessed as moderate and above, assumptions, methods, data sources, analyses, results and reasons for all decisions should all be recorded.

During the conduct of an event, activity or project for which a Risk Assessment has been undertaken, make notes on how effective the Action Plans have been and what (if any) changes were made to the original Plans. This will allow better planning for the same or similar activities in the future.