

**FILE NO:** PSC2006-6848  
**TITLE:** RISK MANAGEMENT  
**OWNER:** GOVERNANCE SECTION MANAGER

## **1. PURPOSE:**

- 1.1 This policy establishes the commitment of Port Stephens Council (Council) to provide effective risk management culture, governance and practices to support the delivery of its Community Strategic Plan.

## **2. CONTEXT / BACKGROUND:**

- 2.1 Council has developed a Risk Management Framework consistent with Australian standard AS ISO 31000:2018 Risk Management, to assist it to identify, treat, monitor and review all risks to its operations and strategic objectives and apply appropriate internal controls.
- 2.2 Council is committed to the principles, framework and process of managing risk as outlined in AS ISO 31000:2018 and commits to fully integrating risk management within Council and applying it to all decision-making, functions, services and activities of Council in accordance with our statutory requirements.

## **3. SCOPE:**

- 3.1 This policy applies to all Council officers, employees, volunteers and contractors.
- 3.2 Council maintains detailed management directives and procedures to support risk management in practice. These align with the expectations of this policy and provide more substance on Council's Risk Management Plan (and relevant sub-frameworks) and Risk Appetite.

## **4 DEFINITIONS:**

- 4.1 Key definitions of terms relevant to this policy:

**Risk:** The effect of uncertainty on objectives.  
(An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats)

**Risk Management:** Coordinated activities to direct and control Council with regard to risk.

Risk Management Framework (RMF):	A set of components that support and sustain risk management throughout Council.  (Outlined in Council's Risk Management Policy, Risk Appetite Statement and Risk Management Plan)
Risk Appetite:	The amount and type of risk Council is willing to pursue or retain in pursuit of its Community Strategic Plan

## 5 STATEMENT:

- 5.1 Council recognises that the purpose of risk management is the creation and protection of value and is committed to managing risk to improve performance, encourage innovation and support the achievement of objectives. This understanding is reflected in the following characteristics adopted by Council:
- 5.1.1 Risk management practices encompass the entire organisation, creating connections to avoid silos.
  - 5.1.2 Risk management strategies address the full spectrum of risks and are appropriately scaled to reflect situational context and complexity.
  - 5.1.3 Risk management approaches do not solely consider single events, but also take into account risk scenarios and the interaction of multiple risks.
  - 5.1.4 Risk management practices are infused into business culture and practices, so that strategy and decision-making evolve out of a risk-informed process.
  - 5.1.5 Risk management philosophy focuses not solely on risk avoidance, but also on acceptable risk-taking as a means to value creation.
- 5.2 Council is committed to managing risk within Council's established appetite by identifying, analysing, evaluating and treating exposures that may impact on Council achieving its objectives and/or the continued efficiency and effectiveness of its operations.
- 5.3 Council will incorporate risk management into its planning and decision-making processes (at all levels) and subsequently in its business execution.
- 5.4 Council's risk management process will be aligned to relevant standards and best practice in a manner that aligns with the organisation's culture and maturity.
- 5.5 Council staff will implement and embed the risk management process into their business practices to reinforce their decision-making responsibilities and accountability.
- 5.6 Council is committed to ensuring that all staff, particularly those with management, advisory and decision making responsibilities, obtain a sound understanding of the principles of risk management and the requisite skills to implement risk management effectively.

- 5.7 Council will regularly monitor and review risk culture and the effective implementation of the Risk Management Plan throughout the organisation, as a basis for continuous improvement and to ensure it meets requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2021.

## 6 RESPONSIBILITIES:

- 6.1 The Executive and Senior Leadership Teams are responsible for promoting and leading effective risk management at Council, supported by the Enterprise Risk Management team.
- 6.2 All employees, contractors and volunteers are responsible for managing risk at Council and as such are responsible for compliance with this policy.
- 6.3 Detailed risk management responsibilities for key roles are documented in the Risk Management Plan.

## 7 RELATED DOCUMENTS:

- 7.1 Risk Appetite Statement
- 7.2 Risk Management Plan
- 7.3 Business Continuity Plan (and sub-plans)
- 7.4 Office of Local Government, Risk Management and Internal Audit Guidelines

## CONTROLLED DOCUMENT INFORMATION:

This is a controlled document. Hardcopies of this document may not be the latest version. Before using this document, check it is the latest version; refer to Council's intranet, <b>MyPort</b> .			
<b>EDRMS container No.</b>	PSC2006-6848	<b>EDRMS record No.</b>	21/138869
<b>Audience</b>	Councillors, employees, volunteers, contractors and community		
<b>Process owner</b>	Governance Section Manager		
<b>Author</b>	Enterprise Risk Manager		
<b>Review timeframe</b>	Three years	<b>Next review date</b>	July 2027
<b>Adoption date</b>	13 April 2021		

## VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	13 April 2021	Enterprise Risk Manager	New policy to replace “Enterprise Risk Management” Policy	080
1.1	9 July 2024	Enterprise Risk Manager	<p>Minor adjustments to reflect all key aspects of the OLG example risk management policy, including acknowledgement of:</p> <ul style="list-style-type: none"> <li>• (2.1 / 2.2) the RMF alignment to the Australian / International standard AU ISO 31000:2018, &amp;</li> <li>• (5.7) regular review considering compliance with LG Act (1993) and LG Regulation (2021).</li> <li>• (7.6) Added OLG Risk Management and Internal Audit Guidelines to related documents</li> </ul>	