

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 recognises the need for risk management to feature as a key consideration in strategic and operational planning, day-to-day management and decision making at all levels in the organisation.

3. SCOPE:

3.1 This policy applies to all Council officers, employees, volunteers and contractors.

3.2 Council will maintain more detailed management directives and procedures to support risk management in practice. These must align with the expectations described in 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. <i>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.</i>
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. <i>These components (foundational and arrangements) are outlined in Council's Risk Management Policy, Risk Appetite Statement and Risk Management Plan.</i>
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 the status of its risk culture and the effective implementation of the Risk Management Plan throughout the organisation as a basis for continuous improvement.

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 Work Health and Safety Statement of Commitment
- 7.4 Environment Policy
- 7.5 Business Continuity Plan (and sub-plans)

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, MyPort .			
EDRMS container No.	PSC2006-6848	EDRMS record No.	21/138869
Audience	Councillors, employees, volunteers, contractors and community		
Process owner	Governance Section Manager		
Author	Enterprise Risk Manager		
Review timeframe	Three years	Next review date	27 April 2024
Adoption date			

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