

CF008	RISK MANAGEMENT		
POLICY OWNER:	Council		
DEPARTMENT:	Office of the CEO		
CREATION DATE:		**REVIEW SCHEDULE:**	Annually
RELATED PROCEDURES:	Risk Management Framework Strategic Risk Register Operational Risk Register Business Continuity Plan Incident Reporting Procedures		
RELATED FORMS:	Shire of Carnarvon Hazard Identification Form Risk Assessment Templates		
RELATED DELEGATIONS:	Nil		
RELATED POLICIES:	Audit and Risk Improvement Committee Charter Work Health and Safety Policy Business Continuity Framework		
LEGISLATION:	Local Government Act 1995 Local Government (Audit) Regulations 1996 Work Health and Safety Act 2020 ISO 31000:2018 Risk Management – Guidelines		
DOCUMENT CONTROL			
DATE REVIEWED:	**REVIEWED BY:**	**CHANGES (IF ANY):**	**ENDORSED BY COUNCIL:**
23/08/2022	Council	Nil	FC7/8/22
28/11/2023	Council	Nil	OCM 11/11/23
28/07/2026	Council	Refer to minutes	OCM 13/07/26

CF008 Risk Management
OBJECTIVES

The objectives of this Policy are to:

- Promote a risk-aware culture throughout the Shire.
- Support informed decision-making through the consistent identification, assessment and management of risk.
- Protect the Shire's people, assets, finances, reputation and service delivery capability.
- Support achievement of Council's Strategic Community Plan, Corporate Business Plan and operational objectives.
- Ensure risk management principles are embedded within governance, planning and operational activities.
- Support legislative compliance and sound governance practices.
- Establish a consistent framework for identifying, assessing, treating, monitoring and reporting risks.



POLICY STATEMENT/S

Risk Management Commitment

The Shire of Carnarvon recognises risk management as a fundamental component of effective governance, organisational resilience and responsible stewardship of public resources.

Council is committed to maintaining an effective risk management framework that supports informed decision-making, promotes accountability, strengthens organisational performance and protects the Shire's people, assets, finances, reputation and services.

Risk management will be integrated into strategic planning, operational activities, project delivery, procurement processes, asset management, workplace health and safety, emergency management and service delivery functions.

Risk Management Principles and Framework

The Shire will maintain a risk management framework consistent with:

- ISO 31000:2018 Risk Management – Guidelines;
- Local Government Act 1995;
- Local Government (Audit) Regulations 1996;
- Work Health and Safety Act 2020;
- Other relevant legislation and recognised governance standards.

The Shire will manage risks through a structured process involving:

- Risk identification;
- Risk analysis;
- Risk evaluation;
- Risk treatment;
- Risk monitoring;
- Risk review; and
- Continuous improvement.

Risk management considerations must form part of decision-making processes across all levels of the organisation.

Application of Risk Management

Risk management principles will be applied to all functions, services and activities of the Shire including, but not limited to:

- Strategic planning;
- Financial management and budgeting;
- Procurement and tender activities;
- Major projects and capital works;
- Asset management;



- Information technology and cyber security;
- Workforce management;
- Legislative compliance;
- Governance and decision-making;
- Emergency management and business continuity;
- Community services and public safety;
- Introduction of significant organisational change.

Risk Management Objectives

The Shire's key objectives in relation to risk management include:

- Achievement of organisational goals and objectives;
- Protection of employees, contractors, volunteers and elected members;
- Protection of public safety;
- Protection of assets and infrastructure;
- Financial sustainability and sound financial management;
- Business continuity and service continuity;
- Legislative and regulatory compliance;
- Positive public confidence in Council and the Shire;
- Protection of organisational reputation;
- Continuous improvement in governance and operational performance.

Risk Registers

The Shire will maintain appropriate risk registers including:

- Strategic Risk Register;
- Operational Risk Register; and
- Any specialist risk registers determined necessary by Management.

Risk registers will be reviewed regularly to ensure risks remain current, accurately assessed and appropriately controlled.

Responsibilities within the Organisation

Council

Council is responsible for:

- Establishing the Shire's risk management framework;
- Promoting a culture of accountability and risk awareness;
- Considering strategic risks in decision-making;
- Providing oversight of significant organisational risks;
- Supporting effective risk management practices across the organisation.

Chief Executive Officer

The Chief Executive Officer is responsible for:

- Implementing and maintaining the risk management framework;
- Ensuring adequate resources are available to support risk management activities;
- Reporting significant organisational risks to Council;
- Promoting a positive risk management culture throughout the organisation.



Executive Management

Executive Management is responsible for:

- Identifying and managing risks within their areas of responsibility;
- Maintaining effective controls and treatment plans;
- Monitoring emerging risks and opportunities;
- Ensuring risk considerations are incorporated into planning and operational activities.

Managers and Supervisors

Managers and Supervisors are responsible for:

- Identifying operational risks;
- Implementing and monitoring risk controls;
- Conducting risk assessments where required;
- Escalating significant risks to Executive Management;
- Encouraging the reporting of hazards, incidents and emerging risks.

Employees

Employees are responsible for:

- Taking reasonable care to identify and manage risks associated with their duties;
- Complying with risk management procedures and controls;
- Reporting hazards, incidents and emerging risks;
- Participating in risk management training and activities where required.

Failure to comply with reasonable directions regarding risk management may result in disciplinary action.

Reporting, Monitoring and Review

The effectiveness of the risk management framework will be monitored through:

- Strategic Risk Register reviews;
- Operational Risk Register reviews;
- Internal audit activities;
- Audit and Risk Improvement Committee oversight;
- Incident and hazard reporting;
- Compliance monitoring activities;
- Management review processes.

Significant risks and emerging risk trends may be reported to Council and the Audit and Risk Improvement Committee as required.

Continuous Improvement

The Shire is committed to continuously improving its risk management practices through:

- Regular review of risks and controls;
- Lessons learned from incidents and audit findings;
- Staff training and awareness initiatives;
- Benchmarking against recognised best practice;
- Ongoing review of governance, compliance and operational requirements.

Definitions



Risk:
The effect of uncertainty on objectives.
Risk Management:
Coordinated activities to direct and control an organisation with regard to risk.
Control:
A measure that modifies risk.
Risk Appetite:
The amount and type of risk the organisation is willing to accept in pursuit of its objectives.

Monitor and Review

This Policy will be reviewed every two years or earlier where required due to legislative change, organisational requirements or significant changes to the Shire's risk profile.

Notes

This Policy should be read in conjunction with:

- Strategic Risk Register;
- Operational Risk Register;
- Audit and Risk Improvement Committee Charter;
- Business Continuity Plan;
- Internal Audit Program;
- Work Health and Safety Framework; and
- Other relevant governance and compliance documents.