



# Yarra Ranges Council Risk Management Policy

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Version:	2.2
Adopted by Council:	22 June 2021
Responsible Officer:	Chief Executive Officer
Department:	Financial Services
Contact Officer:	Executive Officer Risk, Infringements & Governance
Review:	Within 12 months of a Council election or by 31 December the year after, whichever is the later

## Yarra Ranges vision for the municipality

The following vision statement has been developed by Council to describe Council's aspirations for the future of the municipality - how we would like Yarra Ranges to be in 2036. It is based on the ideas of more than 1,000 members of our community, captured in late 2016.

***Whether you live here or visit, you will see how much we value our natural beauty, how connected our communities are, and how balanced growth makes this the best place in the world.***

### Our strategic objectives

Council has identified five strategic objectives to describe what we are working towards – how we want Yarra Ranges to be in the future. These objectives, and the activities we will complete over the coming four years, have been developed in response to our community's priorities and the big issues facing Yarra Ranges. All activities completed by the organisation contribute to one or more of these objectives.



#### Connected and Healthy Communities

Communities are safe, resilient, healthy, inclusive and socially well connected. Quality services are accessible to everyone.



#### Quality Infrastructure and Liveable Places

Quality facilities and infrastructure meets current and future needs. Places are well planned and are hubs of activity that foster wellbeing, creativity and innovation.



#### Protected and Enhanced Natural Environment

A healthier environment for future generations.



#### Vibrant Economy, Agriculture and Tourism

Our tourism, agriculture, health, manufacturing and other industries are leading and dynamic. Strong investment and attraction underpins sustainable economic growth and job creation.



#### High Performing Organisation

An innovative, responsive organisation that listens and delivers quality, value for money services to our community.

*We respectfully acknowledge the Traditional Owners, the Wurundjeri People, as the Custodians of this land. We also pay respect to all Aboriginal community Elders, past and present, who have resided in the area and have been an integral part of the history of this region.*

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## 1. Introduction

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- 1.1 Risks are an everyday occurrence that potentially impact on Yarra Ranges Council's (Council) ability to meet its objectives and obligations to stakeholders, residents, employees, the community and visitors.
- 1.2 To meet its organisational objectives, Council recognises that risk management is an integral part of good management practice, good governance and good planning, and is committed to establishing an organisational culture that embeds risk management practices into everything we do.
- 1.3 The purpose of the Risk Management Policy is to guide the integration of a structured, holistic and consistent approach to managing risks across Yarra Ranges Council. Through our culture of embedded risk awareness, accountability and shared attitudes, we strive to deliver risk management capability that enables us to make informed risk-based decisions at all levels.

### **Scope**

- 1.4 The Risk Management Policy applies to all departments and personnel throughout Council including councillors, council employees, council volunteers and council contractors undertaking any function for or on behalf of Council.
- 1.5 The Risk Management Policy supports the achievement of the objective to identify, reduce and manage emerging and existing risks faced by Council.

### **Support materials**

- Yarra Ranges Council Risk Management Framework
- *Australian Standard AS/NZS ISO 31000:2018 Risk Management - Guidelines*

### **Definitions**

- 1.6 For the purposes of this policy 'Risk' is defined as:

"The uncertainty caused by a deviation from the expected outcome. This deviation can be positive, negative or both, and can address, create or result in opportunities and threats<sup>1</sup>".

Risk includes strategic risk, operational risk, project risk and fraud risk.

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<sup>1</sup> AS ISO 31000:2018, Risk management—Guidelines, Standards Australia

## Revision history

Version	Date	Summary of revisions
1.1	Sep 19	<ul style="list-style-type: none"><li>• Policy transferred to new template.</li><li>• Wording has been reviewed and revised throughout to provide better clarity and to align to <i>AS/NZS ISO 31000:2018 Risk Management – Guidelines</i>.</li></ul>
	Aug 20	<ul style="list-style-type: none"><li>• Policy endorsed by Council 25 August 2020.</li></ul>
2.1	Jun 21	<ul style="list-style-type: none"><li>• Updated in line with mandated review period.</li><li>• Framework components updated to reflect improved risk management maturity.</li></ul>

## **2. Policy overview**

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- 2.1 This policy is the foundation document in the Risk Management Framework (RMF) and is a core component of Council's corporate governance structure and corporate policy framework.
- 2.2 Through the RMF, risk management practices can be applied consistently right across Council. This enables management to confidently make decisions that are timely, informed and consider risks that may impact on success at all levels.
- 2.3 The Yarra Ranges Council Plan 2021 - 25 (the Plan) is Council's key strategic document that guides the vision, direction and provision of services to the Yarra Ranges community. To support the achievement of the Plan and Council's operational objectives and initiatives, the RMF outlines the basis for managing risks and related opportunities.

## **3. Approach to Risk Management**

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- 3.1 Council has a responsibility to embed a risk management system that is integrated into all directorates and departments and helps to ensure risks are managed to acceptable levels wherever practicable.
- 3.2 Council is responsible for determining the organisations overall appetite for risk in pursuing its objectives and in doing so recognises the need to balance community benefits while limiting or managing detrimental impacts to the community.
- 3.3 Through this Policy and associated documents, Council's approach to risk management will:
- Support the Council and management to confidently make informed decisions based on organisational policy, values, appetite and demonstrable community benefits;
  - Assist Council to achieve organisational objectives through the systematic and timely identification and management of risks and opportunities;

- Consistently manage the effects of uncertainty through the application of robust risk management practices; and
  - Ensure targeted effort and resources to the areas of greatest risk exposure and highest priority.
- 3.3 Council will manage and monitor its activities in such a way that controls are in place for identified risks and emerging risks can reasonably be identified by Council.
- 3.4 Assessments of the operational effectiveness of controls will be undertaken to identify any potential risk exposures. These assessments may be carried out by Council and the Internal Auditor as part of the normal audit program, or by Managers in their role of managing and monitoring Council risks.. The results of the risk and control assessments will be reported to the Audit and Risk Management Committee (ARMC). The ARMC will also have responsibility for monitoring Councils performance in respect to risk management.

#### **4. Components of the Risk Management Framework**

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- 4.1 This Policy is one component of the broader RMF, and operates in conjunction with a range of other elements including:
- 4.1.1 Risk Management Framework – Demonstrates how risk management is integrated into Council’s operations, including strategic planning, business plan development, project management and business as usual processes and procedures. The document also describes roles and responsibilities, and the tools available to assist with identifying and analysing risks.
  - 4.1.2 Organisation Risk Register – Defines the risks that Council has identified and the controls in place to mitigate those risks.
  - 4.1.3 Risk Appetite Statements (under development) – Describe the types and amounts of risk that Council is willing to accept in the pursuit of its strategic objectives.
  - 4.1.4 Audit and Risk Management Committee (ARMC) Charter – The ARMC reviews risk reports to help guide and assist Council and management to mitigate risks.
- 4.2 The Australian risk management standard, *AS ISO 31000:2018 Risk Management – Guidelines*, is the basis upon which the RMF has been developed and integrated throughout Council.

#### **5. Distribution**

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- 5.1 A copy of this Policy will be published on Council’s intranet and website.

#### **6. Monitoring and evaluation**

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- 6.1 Council commits to monitoring processes and practices to understand the overall level of success in the Policy’s implementation.
- 6.2 At appropriate intervals, the Policy will be evaluated to ensure any changes required to strengthen or update the policy are made in a timely manner.

## **7. Administration**

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- 7.1 From time to time, circumstances may require minor administrative or consequential amendments to be made to this Policy. Where such an amendment does not materially alter the Policy, this may be made administratively without the need to be approved by Executive Leadership Team (ELT).

## **8. Review**

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- 8.1 The Policy will be subject to review in line with the Yarra Ranges Council Plan.