

HUME CITY COUNCIL

# Risk Management Policy

Policy reference No:	POL/197
File No:	HCC11/656
Strategic objective:	4.1 A high performing organisation that prioritises continuous improvement, safety and accountability Insert Strategic Objective >
Adopted by Council:	27 April 2020
Re-Adopted:	14 April 2025
Date for review:	14 April 2028
Responsible officer:	Manager Governance
Department:	Governance

## 1. POLICY STATEMENT

Hume City Council recognises that risks are an everyday occurrence that have the potential to impact on Council's ability to meet its objectives and obligations to stakeholders, residents, employees and the community.

To meet its organisational objectives and obligations, Council acknowledges that risk management is an integral part of good management practice, is essential for sound strategic and financial planning and is an essential element of good governance. Risk Management is an enabling function that adds value to the activities of the organisation and increases the probability of success in achieving our strategic objectives.

## 2. SCOPE

The policy is applicable to all Council staff, operations, functions and programs. This includes any activities undertaken on behalf of the Council, by contractors or representatives of Council.

## 3. PURPOSE

The purpose of this policy is to clearly document the organisation's commitment of risk management principles, to ensure a structured and consistent approach to managing risks to:

- Increase the likelihood of achieving objectives,
- Encourage proactive management,
- Establish a reliable basis for decision making and planning,
- Improve operational effectiveness and efficiency and improve organisational resilience,
- Enhance health and safety performance as well as environmental protection,
- Improve the identification of opportunities and threats,
- Improve financial reporting and governance,
- Comply with relevant legal and regulatory requirements.

Council has a common law duty of care and statutory responsibilities to ensure that risk management is incorporated in all aspects of its business. The relevant standard is AS/NZS ISO 3100: 2018 Risk Management – Principles and Guidelines.

## 4. OBJECTIVES

Council is committed to managing risk to maximise opportunities and minimise adverse outcomes in all activities.

Through this Policy and associated documents, Council's objectives to risk management will be:

- To improve the identification of opportunities and threats,
- To identify and analyse the organisation's liability associated with risk exposure,
- To protect Councillors, staff, contractors and the community against personal, physical and financial losses that are within the control of the Council,
- To protect the corporate image as a professional, responsible and ethical organisation,

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- To recognise that risk management is the responsibility of all managers and staff,
- To promote and support risk management practices throughout the organisation,
- To monitor the risk management practices of the organisation to ensure continued effectiveness, consistency and efficiency.

The policy aligns with Hume City Council Plan Strategic Objective 3.2: *Deliver responsible and transparent governance, services and sustainable assets that respond to community needs.*

### 5. POLICY IMPLEMENTATION

Hume City Council is actively committed to:

- Ensuring all decision making within the organisation involves the consideration of risk and the application of risk management to some appropriate degree,
- Assigning accountabilities and responsibilities at appropriate levels within the organisation,
- Ensuring the risk management process is integrated into the business processes of the organisation,
- Making sure necessary resources are allocated to risk management,
- Protecting the organisation, its staff, contractors, assets and the community against reasonably foreseeable loss and injury, and
- Ensuring legal and regulatory compliance.

In accordance with its common law duty of care, statutory responsibilities and Council policy, the Council will make certain that resources are allocated to:

- Maintain staff health and safety,
- Maintain Council's assets,
- Ensure continuity of service,
- Reduce Council's liability and minimise or eliminate other circumstances which may cause a loss to Council, and
- Assign sufficient funds in the budget to maintain a proactive approach to risk management.

Risk Management is not a stand-alone function that is separate from the main activities and processes of the organisation. It is an integral part of all organisational processes, including strategic planning, project and change management processes.

### 6. MONITORING AND REPORTING

Council has establishment ongoing monitoring and reporting processes to ensure that:

- Treatment plans are meeting milestones and are effective,
- Risk levels remain relevant,
- Controls continue to operate effectively,
- New emerging risks are recorded, and
- Risk information is up to date

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The monitoring components are essential to sound governance and are applied systematically to strategic, operational and project level risk. Regular reporting is required to monitor the effectiveness of the risk management process.

### Quarterly:

- Status update of all operational and strategic risk actions for business unit (risk reporting) sent to managers (risk owners) and responsible officers (action owners).
- Quarterly risk report presented to Executive Leadership Team (ELT)
- Quarterly risk report presented to the Audit & Risk Committee

### Biannually:

- Status update of all risk actions for division sent to Directors

### Annually:

- Strategic risk reporting to Council

### Ongoing (or otherwise required):

- Update the status of risk ratings, mitigations and adding of new risks.
- Staff awareness and training.

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## 7. ROLES, RESPONSIBILITIES AND ACCOUNTABILITIES

All staff and service providers are responsible for effective risk management practices and ensuring that managers are informed of risks associated with the organisation's operations.

Each manager is accountable for implementing this plan in their area of responsibility. Specifically, this means the responsibility for the management of risk can be described as follows:

Personnel	Accountabilities and responsibilities
Council	<ul style="list-style-type: none"> <li>Understanding and awareness of risk management responsibilities.</li> <li>Awareness of risk management issues contained in Council reports.</li> <li>Support management in communicating the importance and benefits of good risk management to stakeholders, interested and affected parties.</li> </ul>
CEO	<ul style="list-style-type: none"> <li>The Chief Executive Officer has the ultimate responsibility for ensuring that risks are managed across the organisation Promotes a strong risk management culture</li> <li>Ensures a policy and risk management framework is in operation</li> <li>Ensures adequate organisational structure and resourcing for risk management.</li> </ul>
Executive Leadership Team (ELT)	<ul style="list-style-type: none"> <li>Approves, commits to, and promotes the Policy and RMF</li> <li>ELT is accountable for managing risks in their area of responsibility by applying the Risk Management Framework</li> <li>Ensuring human and financial resources are dedicated to risk management activities and monitoring</li> <li>Reviewing of risk management performance at pre-determined intervals</li> <li>Empowers staff to actively participate in managing risk and to encourage a proactive risk culture</li> </ul>
Managers	<ul style="list-style-type: none"> <li>Managers are accountable for managing risks in their area of responsibility and following the Risk Management Framework to ensure it is embedded into all critical functions and activities</li> <li>Ensuring all relevant risks in their area of responsibility are identified, assessed, controlled, monitored and documented</li> <li>Integrating risk management principles into the modification of existing/development of new policies and procedures</li> <li>Ensuring human and financial resources are dedicated to risk management activities</li> </ul>

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	<ul style="list-style-type: none"> <li>• Notifying the Risk Management Lead of emerging risks.</li> <li>• Empowers staff to actively be involved in managing risk, and promotes a proactive risk culture</li> </ul>
Staff	<ul style="list-style-type: none"> <li>• Ensure that risk management is a priority when undertaking daily tasks for Council</li> <li>• Report any areas of risk identified to the manager in a timely manner.</li> <li>• Actively contribute to the management and monitoring of risks in areas of accountability.</li> <li>• Review and update risk assessment documentation and action plans as required or directed</li> <li>• Ensure all contractors engaged through Council's tender process comply with Council's contract management policy and procedures which incorporate risk management processes</li> </ul>
Audit and Risk Committee	<ul style="list-style-type: none"> <li>• Monitor, review and advise the Council on the standards of its risk management</li> <li>• Make assessments and recommendations in relation to risk management measures and evaluate the effectiveness by reviewing Council's activities</li> <li>• Endorse and monitor a comprehensive risk based cyclical strategic audit plan</li> <li>• Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of Council's financial and business risks, including fraud.</li> <li>• Review whether a sound and effective approach has been followed in establishing Council's business continuity planning arrangements,</li> <li>• Ensure that material business risks are dealt with satisfactorily</li> </ul>
Risk Management Lead	<ul style="list-style-type: none"> <li>• Development and implementation of the Risk Management Framework</li> <li>• Quarterly report to ELT on risk management</li> <li>• Quarterly report to ELT on insurance and claims trends</li> <li>• Developing and maintaining the organisation's risk registers (strategic risk and operational risk)</li> <li>• Improving organisational capability in managing risks through the provision of empowering staff through training, awareness initiatives and advice</li> <li>• Quarterly report to the Audit &amp; Risk Committee on risk management activities, risk treatment and exposure</li> </ul>

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### 8. DEFINITIONS

Audit & Risk Committee	Committee established under Section 53 of the Local Government Act 2020
CEO	Chief Executive Officer
Councilors	Council's elected representatives appointed to act in this capacity
Council staff	Includes all Council officers, temporary employees, contractors, volunteers and consultants while engaged by Council
Executive Leadership Team	Executive Officers of Council who report to the Chief Executive Officer
Risk	Effect of uncertainty on objectives. Risk is measured in terms of the likelihood of an event occurring and the consequence (impact) if it does
Risk Management	Coordinated activities to direct and control an organisation with regard to risk
Risk Management Process	Systematic process of identifying, analysing, evaluating, treating, monitoring and reviewing a risk
Risk Management Framework	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation
Stakeholders	Person or organisation that can affect, or be affected by or perceive themselves to be affected by a decision or activity

### 9. RELATED AND SUPPORTING DOCUMENTS

Local Government Act 2020

AS/NZS ISO 31000:2018 Risk Management Principles and Guidelines

Victorian Government Risk Management Framework (August 2020)

Hume City Council Risk Management Framework 2023

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