

## Risk Management

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### 1. Purpose

Greater Dandenong City Council (“the Council”) is committed to the identification and management of all risks associated with the performance and delivery of council functions and services.

### 2. Background

The Council recognises that risk exists in all aspects of its business. Risk management is an integral part of Council’s strategic management and planning process and Council is committed to managing risk in order to achieve its vision, mission and strategic goals.

The Council has developed and implemented a risk management strategy having regard to the framework set out in the International Standard AS/NZS ISO 31000:2009 - Risk Management as is relevant to the Council’s specific needs and requirements.

### 3. Scope

This policy applies to all Council Staff. Every staff member is responsible for the effective management of risk.

### 4. References

- International Standard AS/NZS ISO 31000:2009 - Risk Management
- Council Plan 2013-2017
- Risk Management Strategy 2010
- Occupational Health & Safety policy
- Emergency Management Policy
- Financial Management Policy
- Procurement Policy
- Asset Management Strategy
- Access and Inclusion Plan
- City of Greater Dandenong Contract Management Manual
- Road Management Plan

## 5. Human Rights and Responsibilities Charter – Compatibility Statement

The Victorian Charter of Human Rights and Responsibilities has been considered in the preparation of this Policy but is not relevant to the content of the Policy except to the extent of identification of compliance risks facing Council as described in section 7 of this Policy

## 6. Definitions

Greater Dandenong City Council (“the Council”)

## 7. Council Policy

While the framework is applied consistently across the Council, all departments must identify and analyse the risks in their own areas, assess the controls in place to deal with those risks, and make decisions about whether to mitigate a particular risk – fully or partially – given its effects and the costs of mitigation. If a residual risk is judged unacceptable, the ‘owner’ group or department is responsible for developing and implementing/overseeing a remedial plan. Where risks are considered ‘cross-sectional’, i.e. owned by one area and managed by another (e.g. IT-related risks), a process is established for ensuring the risks are both communicated, and action agreed, between the areas concerned.

As part of its approach to soundly managing risk at the City of Greater Dandenong Council, will undertake the following:

- Maintain a Risk Register of all known risks affecting Council, grouped as a minimum into Strategic, Operational and Compliance risks. All risks will be analysed and classified into Extreme, High, Moderate, Low and Insignificant risks.
- Ensure strategic risks, which have broad organisational-wide impact, will be reviewed on a quarterly basis by the Executive Management Team and

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biannually by the Audit Advisory Committee, including what actions Council is undertaking to moderate these risks;

- The Executive Management Team will review all remaining risks classified as 'Extreme and High' on a quarterly basis. All 'Extreme and High' operational risks will be tabled at the Audit Advisory Committee on a twice annual basis
- Business Units will be requested to annually review operational and compliance risks as part of the completion of Business Plans and provide quarterly status updates on action undertaken to minimize risk;
- All risks classified as 'Extreme and High' will be considered a priority to address in terms of the allocation of resources through the Annual Budget process

By the application of this Policy, the Council through the Chief Executive Officer, will ensure that:

- the Council and all of its staff will be in a position to confidently plan for and make informed strategic, business and operational decisions;
- over time all reasonably foreseeable risks will be systematically identified, assessed, analysed, prioritized and considered for appropriate treatment

## 8. Risk Appetite Statement

Council will not engage in activities that are expected to materially or adversely effect its reputation with customers specifically in relation to the following criteria:-

### **Financial**

Council will only take financial risks where it has the expertise to understand and measure risks where they provide an acceptable level of return on that risk.. We seek to hold an efficient level of liquidity, matching the liquidity characteristics of our assets and liabilities as far as possible. There is no appetite for decisions that have a significant negative impact on Council's long term financial sustainability and its overall financial strength or consequences that exceed \$5,000,000.

### **Legal and Regulatory**

There is no tolerance for compliance or regulatory that govern the manner of our the way our business is conducted. Council has no appetite for any breaches in statute, regulation, professional standards, bribery or fraud. It wishes to maintain

accreditations related to courses or standards of operation, and has low appetite for risk relating to actions that may put accreditations in jeopardy

## **People**

Our people are our greatest asset and we shall never compromise on the safety and wellbeing of our staff. Council aims to value, support, develop and utilise the full potential of our staff to make the workplace a stimulating and safe place to work. It places importance on a culture of equality and diversity, dignity and respect, annual reviews, the development of staff, and the health and safety of staff and volunteers. It has low appetite for any deviation from its standards in these areas.

## **Environment**

Council aims to make a significant, sustainable, and socially responsible through its activities, and operational activities. It recognises that this should involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

## **Public Safety**

Our assets and infrastructure will be provided and maintained at the optimum level. We shall always ensure that we will not compromise on standards that impact on public safety.

## **Reputation**

Our reputation for integrity and competence should not be compromised with our key stakeholders, and Government. There should be no incidences of major breaches of our integrity. All Staff and our partners should be frequently reminded that we have a zero tolerance for fraud or corruption.

## **Business Continuity/Interruption**

Council will not engage in activities that materially impact the sustainability or interruption to essential services. It will seek to establish plan and processes that protect Council interests over the longer term

## **Related Documents**

Risk Management Strategy 2014-17



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Risk Management Procedure 2014