



## Risk Management

Department/Unit	Governance & Risk	First Implemented	25 June 2019	Review Date	November 2027
Origin	Coordinator Governance & Risk	Reviewed	October 2023	Version	2
Authorising Officer	Endorsement by Council	Effective From	28 November 2023	TRIM Reference	E6104

### Purpose/Objective

The purpose of this policy is to outline Mansfield Shire Council's (Council) overall intention and direction in relation to risk management. This document is intended to provide direction to staff in the management, identification, assessment and report of risk.

### Policy Statement

Mansfield Shire Council is committed to the process of identifying, quantifying and managing risk to minimise the effect on the objectives of the Council.

Risks are categorised as either strategic, operational or project based – where the “Risk” is defined in terms of the **effect of uncertainty on objectives**:

- ▶ Strategic – the effect on Council's Strategic objectives;
- ▶ Operational –the effect on departmental business plans/objectives;
- ▶ Project – the effect on specific project objectives.

There are nine areas identified where Council objectives may be impacted:

- ▶ Reputation – complaint level, disruption to partnership or relationships, media or image impact or impact on social or community expectations.
- ▶ Outcome – objectives regarding the outcome or output itself or to the timeliness of the outcome or output. Includes the impact on quality or community outcomes.
- ▶ Asset management – ensuring suitable, maintainable and sustainable assets are in good condition into the future.
- ▶ Project Management – projects are delivered to a quality standard, on time and with value for money.

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- ▶ Financial – the cost operationally of achieving the outcome and the long term financial viability or strategic impact.
- ▶ Governance – in line with Acts or on a regulatory basis.
- ▶ People – impact on people in a safety, wellbeing or as resources for the organisation.
- ▶ Environment – impact on flora or fauna, air quality, water quality or land impact.
- ▶ Risk Aversion – how risk perception will affect the decision-making process on future outcome.

Risks are categorised as Low, Medium, High and Extreme based on consequence and the likelihood of the consequence occurring. The level of risk will define the intervention level and control required:

- ▶ Extreme – Activities with a residual risk rating of Extreme are unacceptable and should cease until suitable controls are put in place to lower the risk, or CEO approval is obtained.
- ▶ High - Activities with a residual risk rating of High require authorisation by Senior Executive staff. The activity must be aligned with the Council Plan. Senior Executive staff will closely monitor the activity with clearly defined responsibilities for the relevant department.
- ▶ Medium - Activities with a residual risk rating of Medium are acceptable with manager approval or documented knowledge.
- ▶ Low - Activities with a residual risk rating of Low are acceptable subject to routine management of controls.

Controls are implemented to mitigate the risk using the hierarchy of control.

The Audit Committee will oversee the risk exposure of Council by advising management on appropriate risk management processes and adequate risk management systems to assure alignment of the Risk Management Framework with ISO 31000-2018.

This Risk Management Policy will be reviewed in line with the four-year Council Plan.

## Definitions

Term	Definition
Consequence Impact	Outcome of an event affecting objectives
Likelihood	Chance of something happening
Inherent Risk	Represents the amount of risk that exists in the absence of controls
Objectives	Those things that the organisation would like to achieve, deliver or provide. Objectives are broken into different aspects.
Residual Risk	The amount of risk that remains after controls are accounted for
Risk	Effect of uncertainty on objectives

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Term	Definition
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Management Policy	Statement of the overall intention and direction of an organisation related to risk management.
Risk Management Process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

## Scope

This policy applies to all Council employees, Councillors, contractors, consultants, volunteers and other authorised personnel of Mansfield Shire Council.

## Responsibilities

Overall responsibility for the application of this Policy is held by the Chief Executive Officer.

Managers are responsible for ensuring their staff comply with the principles, practices and any associated procedures of this policy. Management, employees, contractors and volunteers are to be familiar with, and competent in, the application of this Policy, and are accountable for the delivery of this policy within their areas of responsibility.

The Coordinator Governance & Risk is the owner of this policy. Any reviews of this Policy must be made in consultation with the Coordinator Governance & Risk.

Risks are reported and monitored through the Risk Register. The Risk Register records actions taken on risks and provides for corrective actions to be monitored and escalated as appropriate. In general, the areas of responsibility for risks are as follows:

Position	Responsibility
Councillors	Councillors are responsible for budgets, projects and goals for the organisation. Councillors should be aware of the risks associated with the decisions they make. Councillors have an impact on how ratepayers perceive the organisation and its effectiveness.

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Audit & Risk Committee	The Audit Committee is responsible for the oversight of the risk management process across Council.
Internal Audit	Internal Audit provides an independent review function to Council. Internal Audit, in accordance with the Internal Audit Strategy approved by the Audit & Risk Committee, evaluate, test and report on the design and effectiveness of internal controls in place to manage the key risks of Council.
CEO (Chief Executive Officer)	The CEO is ultimately responsible for risk management of the organisation and is the risk owner of Council's strategic risks. The success or otherwise of managing risk will be influenced by how well the principles are embedded in all levels of management and the organisation. The CEO is the link between Councillors and Officers.
Managers	The Manager of each department is the risk owner for strategic, operational and project risks within their departments control.
Coordinator Governance & Risk	Responsible for providing advice to risk owners, training and monitoring of the Risk Register. Reviews the framework in conjunction with the organisation to allow for continuous improvement of the framework. This is done as required and as each four-year Council Plan is developed.
OHS Officer	Has ownership and carriage of the OHS manual and resulting incident and hazard registers. Responsible for ensuring all relevant staff have completed OHS induction and subsequent training where required.
Coordinators, Team Leaders and Supervisors	These positions may include the risk owners for operational and project related activities. The risk owners are also responsible for consultation in the risk management process. They also monitor controls implemented to manage their risks.
Employees, contractors and volunteers	Understand and observe Council's Risk Management Policy and processes. All employees should be aware of the risk process and principles. They must participate in the consultative process and actively put forward both positive and negative risks/solutions/controls for their area of expertise.
Contractors	All contractors must comply and work within Council's risk management process. They must demonstrate that they have addressed risks associated with the work that they perform for Council.

## References / Related Policies

- ▶ AS/NZS ISO 31000:2018 Risk Management – Guidelines
- ▶ Mansfield Shire Council Plan 2021 - 2025
- ▶ Mansfield Shire Council Occupational Health and Safety Policy
- ▶ Mansfield Shire Council Risk Register

## Gender Impact Assessment

The Risk Management Policy has considered the Gender Equality Act 2020 in its preparation but is not relevant to its content. The Risk Management Policy has been assessed as not requiring a Gender Impact Assessment (GIA).

## Implementation

This Policy is effective from 28 November 2023.

## Review Date

This Policy is to be reviewed by November 2027.

## Authorisation to Implement Policy

Signed:   
Councillor

Witnessed:   
Chief Executive Officer

Approval dated: 28 November 2023

**Mansfield Shire Council reserves the right to review, vary or revoke this Policy at any time.**