TITLE:	Risk Management Policy		
DIRECTORATE:	Corporate		
ADOPTED BY:	CEO. (Council Noted) Resolution No:		
DATE OF ADOPTION:	December 2023	DATE OF REVIEW:	December 2025
POLICY NUMBER:	A&G1		
LEGISLATIVE REF:	Local Government Act 2019 Work Health and Safety (National Uniform Legislation) Act 2011 ISO 31000:2018		

1. INTRODUCTION

1.1. Purpose

Risk is inherent in all Council's business activities, programs, services, projects, processes, and decisions. This policy outlines Barkly Regional Council's principles and approach when carrying out its roles, functions, and objectives as a Council concerning managing organisational risks and hazards. The Council is committed to identifying and managing risks associated with the performance of Council functions and the delivering Council services to protect the community, its employees, assets, and the environment. It aims to do this through an integrated system of risk management that forms part of the broader governance and leadership structure that is risk-aware in every activity.

1.2. Scope

This policy applies to elected members and all Barkly Regional Council operations, including employees, consultants, contractors, and other relevant work participants who operate within the Council environment.

1.3. Definitions

Operational risk - means those risks that arise in day-to-day operations, and which may require specific and detailed response and monitoring regimes. If not treated and monitored, operational risks could potentially result in major adverse consequences for the agency.

Risk - means the likelihood of something happening that will have an adverse impact upon objectives, and/or harmful consequences. Risk is measured in terms of consequences and likelihood and covers threats and opportunities.

Risk appetite - means the level of risk that Council is willing to accept, at any point in time, in achieving its strategic objectives, and when delivering services and projects for the community.

Risk Framework Owner (RFO) - means the Director, Corporate Services.

Risk management - means the set of co-ordinated activities applied in the organisation to direct and control risk.

Risk register - means the centralised reporting tool used to record risk, controls, and opportunities.

Strategic risk - means risks that may affect Council's ability to meet its strategic objectives and require oversight by Council executives. Elected members and the Audit and Risk Management Committee.

Risk Source (Hazard) – element which alone or in combination has the potential to give rise to risk.

Event – occurrence or change of a particular set of circumstances. An *event* can have multiple *consequences* and an *event* can be a *risk source*.

Control – is a measure that maintains or modifies risk and may include, but not limited to, a process, policy, device, practice, or another actions.

Consequence (Impact) – the outcome of an *event. Consequences* are grouped into categories

Likelihood (Probability) – chance of something happening.

1.4. Policy Objectives

The objective is to have a corporate governance risk framework covering strategic management, internal controls, business development, project management, finance and workplace health and safety. It comprises procedures to mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded, staff have a safe workplace, legislation and council policies/rulings are complied with, and financial reporting is accurate and reliable. Effective risk management is critical for Council to achieve its goals and objectives.

1. The Barkly Regional Council's risk management governance framework and supporting strategies embrace the following:

   a. Adopting a best practice risk management approach consistent with the risk management principles and framework outlined in the Australian/New Zealand Standard for Risk Management - Guidelines (AS/NZS ISO 31000:2018).

   b. Maintaining an effective governance system and clarity of roles and responsibilities at all levels of the organisation in relation to risk.

   c. Incorporating risk management into strategic, operational, and financial planning processes including all new services and projects to ensure alignment with Council objectives and risk appetite.

   d. Developing a positive risk culture and awareness through enhanced education, training, communication, and reporting of risk.

   e. Developing and maintaining a robust risk management process that provides a consistent and systematic way of identifying, analysing, evaluating, and treating risks in line with Council's risk appetite.

   f. Maintaining effective risk management systems and tools including detailed risk registers which enable the organisation to effectively record, monitor and manage risks including risk assessment ratings, risk controls and treatment plans.

g. Prioritizing its risk so that resources are devoted to managing extreme and high risks within appropriate timeframes.

h. Enabling the realisation of opportunity and innovation related risk through the risk management process.

i. Monitoring and improving risk management activities and their effectiveness through a program of continuous improvement.

2. POLICY STATEMENT

The Chief Executive Officer must adopt a risk management approach to identify and assess risks, apply cost/benefit analysis in the development of internal controls and is responsible for ensuring Council employees conduct their duties in accordance with internal control policies, procedures, and Government regulations applicable.

Every employee within the Council is recognised as having a role in risk management, from the identification of risks to implementing risk treatments.

Barkly Regional Council aims to ensure that the potential for exposure to risk is identified and assessed for severity, quality of internal control mechanisms are evaluated, treatment plans are implemented, and risks are monitored, managed and reported on. To control risks, the Council commits to ensuring that the following principles are met:-

a. Compliance with applicable legal and legislative frameworks, such as the Local Government Act, LG General Regulation and Ministerial Guideline.

b. Effective delivery of services to ratepayers, clients, and stakeholders.

c. Exercising prudent financial and asset management, ethical conduct, and meeting community expectations.

d. Management of workers' safety in a way consistent with legislation, standards, and defined guidelines.

e. Management of environmental issues, consistent with legislation, standards, and defined guidelines; plus being dynamic to respond to environmental and future changes

f. Have an integrated and integral component of organizational activities inclusive of stakeholder views and participation

g. Operating within a structured and communicated framework customized to include internal and external organizational requirement

h. Lead by demonstrating commitment starting from elected members, senior management, and staff at all levels

i. Proper management of Council's corporate responsibilities and the achievement of its strategic plan and objectives

j. The protection of the reputation of the Barkly Regional Council, its elected members, and staff.

k. Maintaining a Risk Register and reviewing it annually by the risk management officer, WHS officer, and corporate services.

l. proving the CEO with monthly risk report by the respective directorates indicating what control measures has been put in place to minimise such risks from reoccurring.

3. RESPONSIBILITY

a. While the Chief Executive Officer is responsible for the implementation of this policy, all Elected Members, staff, contractors, as well as all other third parties authorised to carry out any activities within Council on behalf of the Council, have responsibilities concerning risk management and must ensure that all required and reasonable measures are followed to avoid exposing Council to risks.

b. Chief Executive Officer is accountable for the overall management and implementation of this policy. However, under work place health and safety regulation, risk management is charged upon every officer in a leadership position in the organization.

c. Sufficient induction must be given to staff on commencement of their employment as per HR01V2 Policy and WHS Policy.

4. MONITORING AND REVIEW OF RISKS

a. The Audit and Risk Committee is an advisory body established under section 86 of the *Local Government Act 2019*.

b. The Audit and Risk Committee plays a central role in independently reviewing Council's internal control processes and provides elected members with a level of assurance on the effectiveness of the Council's financial and corporate governance practices as well as compliance with legislative and regulatory requirements.

c. The Audit and Risk Management Committee will assist in identifying areas where changes are required to reduce the risk of Council's exposure to fraud or unauthorised transactions.

d. The role of the Audit and Risk Management Committee includes:

e. Monitoring the effectiveness of the audit function and the implementation of audit recommendations

f. Providing an independent line of reporting by the auditor to Council

g. Reviewing compliance with legislative requirements, contracts, standards, and best practice guidelines

h. Reviewing and recommending to Council the annual financial statement

i. Monitoring changes in accounting and reporting requirements

j. Reviewing policies relating to codes of conduct, conflicts of interest, misconduct, fraud, and revenue.

5.   CATEGORIES OF RISK

Nine categories of risk have been established:

Category	Description
People and Culture	Risks associated with human resource management, Induction, organisational culture and change management. This includes non-workplace health and safety risks that impact on the ability of employees to attend work and perform their duties (i.e. industrial action, failure to provide induction and development, etc).
Health and Safety	Risks associated with protecting the health, safety and wellbeing of employees, volunteers, contractors, and others within Council's duty of care. This covers induction, workplace health and safety risks that impact on the ability of employees to attend work and perform their duties (i.e. injury, illness, pandemic, etc).
Financial Sustainability	Risks associated with the financial management of Council and its ability to fund Council services now and into the future. This covers risks related to revenue, expenditure, budget management, investments and debt management and accuracy of financial information.
Legal and Governance	Risks associated with Council either knowingly or unknowingly breaching legislation, regulations, policies, or procedures. This covers risks related to fraud and corruption, or being exposed to liability in relation to any matter.
Reputation	Risks associated with Council's perceived or actual reputation with the community, government, regulators, the media, Council employees, or other stakeholders. This covers risks of a political, social, cultural, and other nature.
Service Delivery	Risks associated with the daily operational management of Council and its ability to deliver services to the community. This also covers risks related to the effectiveness of internal services, systems and processes, and business continuity, having effective fleet management, effective emergency and disaster team that can restore service within reasonable time, effective Human Resource in every level.
Information and Technology	Risks associated with the provision of ICT infrastructure, services and systems for Council and the community. This covers risks related to the loss or theft of data and information, and cyber security, Management of Council IT access control and user set ups and disconnections of unauthorised users.
Asset Management	Risks associated with the planning, design, construction and maintenance of Council infrastructure and assets. This covers risks related to fit for purpose considerations and the damage or loss of assets and property. Including proper and effective Council Asset management as well as accountability for loss and damage of any asset.
Environment	Risks associated with Council's operations that have potential or actual negative environmental, ecological, or cultural heritage impacts, regardless of whether these are reversible or irreversible in nature. This also covers risks associated with the impact of climate change on Council's assets and operations as well as waste management.

6. RISK APPETITE

a. Council has an obligation to the community to ensure that it does not accept high levels of risk that might impact on community wellbeing, amenity or the ongoing sustainability and viability of Council.

b. Accordingly, Council generally has a low appetite for unmitigated risks across all its operations, assets, and objectives.

c. Given the significant growth that the Barkly region is focused to experience in coming years, Council may need to take some calculated risks to ensure that infrastructure and services meet the needs of its current and future communities.

d. Calculated risk must not be tolerance for risks that may compromise the safety and welfare of staff, the community, contractors, and volunteers.

e. Council has no appetite for risks that compromise safety and welfare of staff, the community, contractors, and volunteers.

f. Council also has no appetite for risks that cause significant and irreparable damage to the environment. Rather Council seeks to preserve and enhance it for future generations.

g. The risk appetite for Barkly Regional Council is established based on the residual risk identified for each consequence (impact) category for the organisation and is per Table A below;

TABLE A - RISK MATRIX

Likelihood	Consequence				
	Insignificant	**Minor**	**Moderate**	**Major**	**Severe**
Almost Certain	Medium	High	Extreme	Extreme	Extreme
Likely	Medium	Medium	High	Extreme	Extreme
Possible	Low	Medium	Medium	High	Extreme
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

Consequence - Evaluate the consequences of a risk occurring according to the ratings in the top row

Descriptor	Level	Definition
Insignificant	1	No injury
Minor	2	Injury/ ill health requiring first aid
Moderate	3	Injury/ill health requiring medical attention
Major	4	Injury/ill health requiring hospital admission
Severe	5	Fatality

Likelihood - Evaluate the **likelihood** of an incident occurring according to the ratings in the left-hand column

Descriptor	Level	Definition
Rare	1	May occur somewhere, sometime ("once in a lifetime / once in a hundred years")
Unlikely	2	May occur somewhere within the workplace over an extended period of time
Possible	3	May occur several times across the workplace or a region over a period of time
Likely	4	May be anticipated multiple times over a period of time. May occur once every few repetitions of the activity or event
Almost Certain	5	Prone to occur regularly It is anticipated for each repetition of the activity of event

7.   RELEVANT POLICIES TO BE READ IN CONJUNCTION WITH THIS POLICY ARE:

Local Government Act 2019 – Part 2.3

Local Government (General) Regulations 2021

Work Health and Safety (National Uniform Legislation) Act 2011

AS/NZS ISO 31000:2018 Risk management – Principles and guidelines (ISO 31000)

Workplace Health and Safety Policy

Fraud and Corruption Control Policy

Procurement Policy

Asset Management Policy

8.   IMPLEMENTATION

This policy applies to all Elected Members, Council Staff, contracts, visitors, and Committee members.

9.   Variation and Changes

Barkly Regional Council's reserves the right to revoke and/or amend this policy from time to time as is considered necessary to better manage its business and/or to comply with any legislative requirements.

9.1.   Review

This policy will be reviewed on or before December 2025

10.   APPROVAL

This policy is approved

		22.12.2023
Ian Bodill		
Chief Executive Officer	Signature	Dated

END