

Responsible directorate	Office of the CEO.
Responsible team	Corporate Strategy and Governance.
Responsible officer	Executive Manager, Corporate Strategy and Governance.
Affected teams	All Staff.
Legislation / local law requirements	Regulation 17 of the <i>Local Government (Audit) Regulations 1996</i> .
Relevant delegations	Nil.
Related policy procedures and documents	Administrative Procedure - Risk Management Framework (D19/178367) supports this Policy – defines the systems and processes in place to facilitate good practice risk management, and assigns responsibilities for the identification, management and treatment of risks.

PURPOSE

Risk management facilitates the efficient delivery of the City of Vincent’s (**City’s**) strategic and operational objectives. This Policy establishes the City’s risk management approach and the risk management responsibilities of Council and Administration.

POLICY

The City supports an organisation-wide risk management approach to identify and manage risks and opportunities associated with the performance of the City’s functions and the delivery of services. This Policy applies to all service and project delivery and any other decision making activities. It ensures risks are identified and understood and the risk treatment is incorporated into service unit planning and resource allocation.

The City will develop and implement effective risk management systems and processes, as further defined in the City’s Risk Management Framework, that:

- Facilitate the achievement of the City’s vision, strategies and objectives;
- Provide transparent and formal oversight of risks and the controls implemented, to enable effective decision making;
- Provide guidance on the level of risk versus return associated with the City’s services and projects and ensure risk treatment (controls implemented) align with the City’s risk appetite and tolerance;
- Embed appropriate and effective controls to mitigate risk;

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- Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations;
- Enhance organisational resilience;
- Identify and provide for the continuity of critical operations; and
- Ensure risk management becomes part of day-to-day service and project management and processes.

Risks will be identified and managed in accordance with the risk consequence and likelihood criteria at **Attachment 1**. Risks are to be classified in accordance with the risk classification matrix at **Attachment 2**. Once classified, risks are to be managed in accordance with the risk rating at **Attachment 3**. The acceptance and treatment of risk is dependent on the risk classification and risk rating. The treatment of risks classified as high or extreme (with controls) will be subject to approval by Council.

SCOPE

This Policy applies to Council and all employees and contractors of the City of Vincent.

Responsibilities for identifying, managing and treating risks, dependant on the risk rating, is detailed in the Risk Management Framework.

OFFICE USE ONLY	
Initial Council adoption	DATE: 16/06/2020, REF# D20/105102
Reviewed / Amended	DATE: <APPROVAL DATE>, REF#: <TRIM REF>
Next Review Date	DATE: 16/06/2025,

ATTACHMENT 1 – RISK CONSEQUENCE AND LIKELIHOOD CRITERIA

1.1 Consequence criteria

RATING	PEOPLE (SAFETY)	INTERRUPTION TO SERVICE	REPUTATION	COMPLIANCE (LEGAL & TECHNICAL)	PROPERTY	NATURAL ENVIRONMENT	FINANCIAL IMPACT	CONTRACT / PROJECT
Low (1)	Minor injury or ailment to staff, results in loss of time less than 5 days.	Failure of assets / disruption which results in inconvenience but no material service interruption (resolved within one day).	An incident with low impact on community trust which is covered in a community newspaper and/or has a social media profile for maximum of a day.	Minor compliance (technical or legal) breach which is not reportable and can be resolved within 24 hours.	Localised damage to City property which can be rectified by routine internal procedures and is within operating budget \$20,000 (0.035% of operating budget).	Environmental damage or harm which can be contained by an internal response within 1 week, and any damage / harm can be reversed by the City's action.	Short term impact on operating funds, or financial loss less than \$20,000 (0.035% of operating budget).	Insignificant breach of contract or delay in project which has a minor impact on service delivery, consistent with 'low' rating.
Minor (2)	Injury or ailment to staff resulting in loss of time between 5-10 days.	Failure of assets / disruption which results in temporary interruption which can be resolved within one week (backlog cleared within one week).	Public embarrassment, some impact on community trust, covered in community newspaper and/or social media profile which lasts for less than a few days.	More than one minor compliance breach or minor breach with potential for minor damages or monetary penalty.	Localised damage to City property requiring additional resources to rectify (reallocation within operating budget – \$20,001 - \$100,000 (0.035% - 0.17% of operating budget).	Environmental damage or harm which requires management by external agencies or contractors and can be contained within 1 week, and any damage / harm can be reversed by the City's actions.	Medium term impact on operating funds, or financial loss between \$20,001 - \$100,000 (0.035% - 0.17% of operating budget).	Minor breach of contract or delay to project which will have minor financial impact or delay service delivery, consistent with 'minor' rating.
Moderate (3)	Injury or ailment to staff resulting in loss of time greater than 10 days, or causes temporary disability to staff member, or public exposed to a hazard which is attributable to the City, but immediately treatable / resolved.	Failure of assets / disruption which results in one month interruption, may require additional resources to resolve within one month (backlog cleared within one month).	Covered in community newspaper and social media profile which lasts for more than a few days, attention by regulators or state department/ government.	Short to medium term non-compliance which may result in prosecution / fine. Investigation may be required.	Significant damage to City property requiring management attention for a period of up to three months (\$100,001 to \$250,000 (0.17% - 0.43% of operating budget).	Environmental damage or harm which requires management by external agencies or contractors and takes 1 week – 1 month to contain, and any damage / harm can be reversed by the City's actions.	Impact to service delivery due to impact on operating funds, or financial loss between \$100,001 to \$250,000 (0.17% - 0.43% of operating budget).	Breach of contract or delay to project which will impact service delivery or result in damages payable by the City, consistent with 'moderate' rating.

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Major (4)	Permanent disability or life threatening injury to staff member, or public exposed to a hazard which is attributable to the City and results in temporary adverse health impacts.	Failure of assets / disruption which results in more than one month interruption (backlog of over one month) or is an interruption to core or essential services for more than one day	Public embarrassment, high impact on community trust, covered in community and state newspapers and social media profile which lasts for about a week (includes TV and press), third party action	Non-compliance results in termination of services or imposed penalties to City / Staff.	Significant damage to City property requiring additional resources to rectify (Council approval of funds required, \$250,000 - \$1 million (0.43% to 1.7% of operating budget) Period of restitution up to six months.	Environmental damage or harm which remains uncontained for over a month and requires a coordinated response from multiple external agencies, but is reversible by coordinated response.	Significant impact to service delivery due to impact on operating funds, or financial loss between \$250,001 to \$1 million (0.43% to 1.7% of operating budget)	Significant changes to a project or breach of contract which may result in termination of contract and significantly impacts service delivery. Impact consistent with 'major' rating.
Extreme (5)	Fatality to staff member, or public exposed to a hazard which is attributable to the City and results in widespread adverse health impacts.	Failure of assets / disruption which results in a prolonged interruption of core or essential services	Public embarrassment with significant reputational damage, widespread loss of community trust, widespread and sustained community, state and national newspaper and TV coverage and social media profile, third party action	Non-compliance results in criminal charges or significant damages or penalties to City / staff.	Extensive damage requiring prolonged period of restitution or complete loss of plant, equipment and building, or over \$1,000,000 (1.7% of operating budget)	Environmental damage or harm which can not be contained and is not reversible by a coordinated response.	Insufficient operating funds over sustained period, or loss of more than \$1 million (over \$1.7% of operating budget).	Major project can not be completed or critical breach of contract resulting in significant damages payable by the City or non delivery of service for extended time. Impacts consistent with 'extreme' rating.

1.2 Likelihood criteria (refer to the description or the frequency)

Level	Rating	Likelihood description	Likelihood frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in three years
2	Unlikely	The event could occur at some time	At least once in ten years
1	Rare	The event will only occur in exceptional circumstances	Less than once in 15 years

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ATTACHMENT 2 - RISK CLASSIFICATION MATRIX

Consequence		Low	Minor	Moderate	Major	Extreme
Likelihood		1	2	3	4	5
Almost Certain	5	Medium	High	High	Extreme	Extreme
Likely	4	Low	Medium	High	High	Extreme
Possible	3	Low	Medium	Medium	High	High
Unlikely	2	Low	Low	Medium	Medium	High
Rare	1	Low	Low	Low	Low	Medium

ATTACHMENT 3 - RISK RATING AND MANAGEMENT

Risk Classification	Action	Risk management process	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to ongoing monitoring	Manager
MEDIUM	Monitor	Risk acceptable with adequate and effective controls, managed by specific procedures and subject to ongoing monitoring	Executive Director
HIGH	Urgent Attention Required	Risk treatment subject to Council approval	CEO + Council
EXTREME	Unacceptable	Risk treatment subject to Council approval	CEO + Council

***Extreme risks require a risk treatment plan which is reported to the CEO (via the Executive Management Committee) and the Audit Committee until the risk rating is at an acceptable level.*