

central
highlands
COUNCIL




Policy No 2015-41 RISK MANAGEMENT POLICY AND STRATEGY

Responsible Officers: **General Manager**

For Review by: **General Manager / All Managers**

Review by: 20/10/2018

Approved by: 

Mayor

..... 2 / 11 / 15

Date

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General Manager

..... 2 / 11 / 15

Date

Adopted at Council Meeting:

20/10/2015

1.0 Purpose

- 1.1 Risk management is the process of identifying, analysing and evaluating risk and selecting the most effective way of treating it. It is a way of making real savings in terms of operation and reduction of insurance premiums and in the prevention of injury to residents, employees and visitors to the municipality.
- 1.2 The purpose of this policy is to define the principles for the implementation and associated responsibilities of staff and management in the risk management process and to provide a framework for the management of risk.

2.0 Glossary of terms

Accidental loss	A negative consequence, financial or otherwise which is not deliberate.
Hazard	A source of potential harm or a situation with a potential to cause loss.
Incident	An event or occurrence. A loss from any insured peril. An insured is obligated to report such losses to the insurer or its representative as soon as possible.
Loss	Any negative consequence, financial or otherwise.
Risk	The chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood.
Risk Acceptance	An informed decision to accept the likelihood and the consequences of a particular risk.
Risk Analysis	A systematic process to understand the nature of and deduce the level of risk.
Risk Assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk Avoidance	An informed decision not to become involved in a risk situation.
Risk Identification	The process of determining what, where, when, why and how something could happen.

Risk Management Process The systematic identification and treatment of risks to reduce the possibility of adverse consequences impacting on Council and/or its employees.

Risk Retention Acceptance of the burden of loss, or benefit or gain, from a particular risk.

Risk Sharing Sharing with another party the burden of loss, or benefit of gain, from a particular risk.

3.0 Objective

- 3.1 To promote and support risk management practices throughout the Council.
- 3.2 To recognise that successful risk management is the responsibility of **all** employees.
- 3.3 To encourage the identification and reporting of potential risks.
- 3.4 To protect Council against the financial consequence of accidental losses, particularly those of a major nature.
- 3.5 To encourage an organisational culture which creates safe, healthy and risk free work and operational environments.
- 3.6 To provide community facilities that can be enjoyed safely and securely by the public.
- 3.7 To develop and implement work systems that embrace risk management principles to ensure that Council's loss exposures are managed within available financial resources.
- 3.8 To provide cost effective strategies for the identification, prevention and control of losses and their consequences for all Council's activities.
- 3.9 To provide an effective information system for analysing and monitoring the risk management program.
- 3.10 To ensure that risk management is paramount in all Council public areas and workplaces and that a safe environment is created for the community at large and Council employees.
- 3.11 To protect Council's corporate image as a professional, responsible and ethical organisation.

4.0 Scope

4.1 Internal Stakeholders

4.1.1 This policy applies to all Councillors, employees, volunteers and representatives of the Central Highlands Council.

4.2 External Stakeholders

4.2.1 This policy applies to residents, contractors, sub-contractors, and visitors to the Central Highlands.

5.0 Policy

5.1 The Central Highlands Council is committed to managing risk in accordance with the process described in the *Australian/New Zealand Standard AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines*, by logically and systematically identifying, analysing, assessing, treating, monitoring and communicating risk exposures associated with any activity, function or process in a way that enables the Council to minimise losses that are likely to adversely impact on the Council's operations.

5.2 Specifically this includes, (but is not limited to), the following areas of potential losses:

- (a) Environment & Public Health;
- (b) Planning & Permits;
- (c) Council Facilities and General Operations;
- (d) Corporate;
- (e) Legislation;
- (f) Material Safety Data Sheets (MSDS);
- (g) Fire Precautions;
- (h) Asbestos;
- (i) Buildings;
- (j) Public Areas;
- (k) General Security;
- (l) Safety Committee, Safety Representatives;
- (m) Anti-Discrimination;
- (n) Policies and Procedures;
- (o) Staff Training, Training Records;
- (p) Codes of Conduct, Standards, Industry Best Practices, etc.;
- (q) Personal Protective Clothing and Equipment (PPE);
- (r) Gifts and Benefits;
- (s) Nepotism, Favouritism and Negative Bias;
- (t) Copyright;

- (u) Intellectual Property;
- (v) General use of Council Property, Plant, Tools, Equipment, Materials and Resources;
- (w) Conflict of Interest.

5.3 Management, staff and contractors are responsible for ensuring that risk management is given a high priority in the day-to-day conduct of Council and Council related activities.

5.4 The management of risk is essential in:

- (a) Achieving Council's vision statement as outlined in the Corporate Plan;
- (b) Enabling the incorporation of risk management initiatives across all levels of the Council;
- (c) Facilitating and initiating innovation, co-operation and sharing of resources;
- (d) Enhancing Council's programs of economic development, environmental management, community well-being, quality management and customer service;
- (e) In accordance with the common law duty of care, statutory responsibilities, requirements under Council's insurance policies, and Council's own policies, Central Highlands Council will ensure that appropriate levels of resources are allocated to maintain staff health and safety.
- (f) Maintaining Council assets and reputation, ensuring continuity of service and reducing Council's liability and minimise or eliminate other circumstances which may cause a loss to Council.

5.5 Council will also:

- (a) Promote and support risk management practices throughout the organisation;
- (b) Recognise that successful risk management is the responsibility of all employees;
- (c) Encourage the identification and reporting of potential risks;
- (d) Implement processes to reduce risk and eliminate high-risk activities.

- 5.6 A key principle of effective risk management is a hierarchical approach to the management of risk that emphasises prevention rather than mitigation. Management of risk will address the problem in the following priority order:
- (a) Wherever possible the risk should be eliminated or minimised.
 - (b) Sharing the risk by:
 - (i) Insuring risks, where, in return for a premium, the Financial cost of certain risks are passed to the insurer;
 - (ii) Ensuring that external organisations leasing or managing Council owned assets have adequate insurance and that the Council is indemnified; and
 - (iii) Ensuring that any works, carried out by contractors, are fully insured and that Council is indemnified.
 - (c) Reduce the likelihood and consequence of risk by undertaking hazard analysis and risk audits, and developing procedures relating to issuing advice and approvals to customers.

6.0 Responsibility

6.1 Council

- 6.1.1 Adopt a risk management policy and strategy for the Municipality and review and amend as required, and provide adequate budgetary provision for risk management strategies to be implemented.

6.2 General Manager

- 6.2.1 Maintain overall responsibility for the effective management of all types of risks across Council's operations and ensure Councillors are kept aware of Council's risk management objectives.
- 6.2.2 Recognise and adopt Risk Management as a key function of the organisation.
- 6.2.3 Ensure risks are managed in accordance with the Australian/New Zealand Standard AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines and Council's policies and procedures.

6.3 Council Departmental Managers

- 6.3.1 Maintain overall responsibility for the co-ordination and administration for the Council's risk management program as outlined by this Policy for their Department.
- 6.3.2 Ensure that Council's employees, assets and operations are adequately protected, and public liability exposures addressed through appropriate budgeting for loss control programs and measures. This covers (but is not limited to) the loss areas of industrial plant, property, motor vehicles, liability, professional indemnity, directors' and officers' liability, financial and business interruptions;
- 6.3.3. Provide risk management related information as requested, and assist in the investigation of any risk management issues or claims that have been made against Council's insurances.
- 6.3.4 Ensure the provision of a safe and healthy work environment and the implementation of appropriate safe work practices and control measures in accordance with the *WorkHealth and Safety Act 2012*, its amendments, related Regulations, and Council's WH&S Policy.
- 6.3.5 Ensure that staff, have continued access to adequate training.
- 6.3.6 Supervise and audit contractors to ensure that, at minimum, contractors' and subcontractors' policies, procedures and risk management activities comply with those of Central Highlands Council, and that they are current and applied throughout the period of the contract.
- 6.3.7 In co-ordination with the General Manager,
 - (a) Develop and maintain a risk register, using a risk analysis matrix for the prioritisation of risks for treatment.
 - (b) Undertake Risk Assessments for identified projects following annual budget preparations in accordance with AS/NZS ISO 31000:2009.
 - (c) Develop and review risk management related policies and procedures.

- (d) Contribute to the development and maintenance of hazard and incident recording, investigation and reporting systems of Council.
- (e) Recommend and assist in implementing prevention and loss control programs and maintain records of Council's activities.
- (f) Monitor the accident reporting and recording procedure.
- (g) Review with supervisory staff all aspects of risk management on a regular basis and assist with workplace inspections and safety audits.
- (h) Ensure that adequate fire protection and security arrangements are in place to protect Council's assets.
- (i) Negotiate and recommend appropriate insurance cover and negotiate brokerage and insurance renewals.
- (j) Manage claims with the insurance broker on behalf of Council.
- (k) Provide reports to Council and senior management on insurance claims and any risks.
- (l) Ensure all accidents and incidents reported are fully investigated and the appropriate corrective action has been taken.
- (m) Analyse risk management training needs and recommend appropriate training.
- (n) Review the Risk Management Policy and strategy every three years, or as required in response to changes in legislation, Council structure or resources, standards or codes of practice, etc.
- (o) Liaise with Council's Public Liability Insurer on risk management issues and follow up on recommendations in the Audit conducted by those Insurers.

6.4 Workplace Teams, Employees, Contractors, Sub-contractors and Volunteers

- 6.4.1 Perform duties in a manner, which is within an acceptable level of risk to their own health and safety, and that of other employees, Council's customers and the community in general.

- 6.4. Make loss control/prevention a priority whilst undertaking daily tasks in Council's operations.
- 6.4.3 Consult with the relevant Department Manager, where appropriate to resolve any risk issues that become evident.
- 6.4.4 Report any hazard, incident, loss or near miss, as soon as they occur or are discovered, to their Supervisor and Council's Department Manager.
- 6.4.5 Be aware of the risk management philosophy and process within the organisation.
- 6.4.6 Be aware of this Policy and Council's WH&S Policy.
- 6.4.7 Assist positively with investigations related to incidents that have occurred as a result of a hazard or incident.

6.5. Audit Committee

- 6.5.1. Review Council's risk management policies, procedures and registers.
- 6.5.2 Recommend new procedures or amendments to existing procedures.
- 6.5.3 Monitor the recommendations and outcomes from audits conducted by Council's Public Liability Insurer.