2I Enterprise Risk Management Policy and Plan

Policy Title	2I Enterprise Risk Management Policy & Plan
Officer Responsible	WHS & Risk Coordinator
Last Review Date	14/02/2023

Strategic Policy

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POLICY

1 POLICY STATEMENT

Council is committed to taking a structured and innovative approach to the management of risk throughout the organisation in order to promote and demonstrate good corporate governance, to minimise loss and maximise opportunities to improve service provision.

The Enterprise Risk Management (ERM) approach utilised by Council in the development of the ERM Framework is AS ISO 31000:2018 together with the requirements of the NSW Work Health and Safety Act, 2011, and will be incorporated into the Planning, Governance, Asset Management, and Operational Processes of Council.

2 OBJECTIVES

2.1 To provide direction and commitment to ERM principles as part of Council's management planning, decision making and the undertaking of operational activities.

2.2 To effectively integrate the management of risk into Council's high level management planning activities to ensure the achievement of its strategic objectives as outlined in the Community Strategic Plan and associated documents. The ERM Framework (incorporated into the ERM Plan) includes ERM being integrated with Council's Integrated Planning and Reporting Structure.

2.3 To apply and incorporate the ERM Framework into Council's operational activities and business planning processes.

2.4 To promote an environment of risk awareness and willingness to manage risk at all levels of the organisation.

2.5 To provide opportunities that encourages continuous improvement of the ERM Framework at all levels of the organisation.

2.6 To ensure, through the application of this Policy:

a) That the Council, General Manager and the Executive Staff are in a position to confidently make informed strategic, project and operational decisions based on good business practices to ensure risks are identified, analysed, evaluated and treated ;

b) That the requirements of the Office of Local Government's New Risk Management and Internal Audit Framework, in relation to the management of risk, are satisfied;

c) That all reasonably foreseeable risks are systematically identified, assessed, analysed, prioritised and considered for appropriate treatment with all information documented in Council's electronic risk system;

d) The correct assigning of ownership of risks through appropriate delegation of risk management responsibilities to all Council officers across all functional areas of Council;

e) That all relevant legislation is complied with and relevant risk management standards (currently AS ISO 31000:2018) are used to provide guidance in best risk management practices;

f) The effective management and allocation of resources through more targeted and effective controls;

g) Improved protection of the community, Council's employees and volunteers, Council's assets and Council's financial integrity and sustainability;

h) The effective communication of this policy through the development of an ERM Communication and Reporting Framework.

3 BACKGROUND

3.1 Risks exist in all aspects of Council's undertakings. AS ISO 31000:2018 defines risk as the 'effect of uncertainty on objectives'. An effect is a deviation from the expected, whether it be a negative or positive (realising opportunities) deviation.

3.2 The effective implementation of this policy will ensure that the management of risk is seen as good business sense and provide a way to know which risks to take for the benefit of a greater opportunity, which risks to avoid in order to prevent significant impact on the organisation and managing the outcomes for success in order to achieve the organisation's key objectives.

3.3 It is essential that risks are managed to ensure that Council achieves its objectives; and in turn be recognised for the excellence of its services and for the strength of its partnerships with the community, customers, employees and stakeholders. ERM plays a key role in ensuring that Council achieves that objective.

3.4 Council's Risk Appetite is:

a) The level of risk that the Council is prepared to take to achieve its strategic objectives;

b) The risks that it is prepared to endure in response to a decision not to implement risk treatments;

c) The acceptance of the residual risk following the implementation of risk treatments.

3.5 Under most scenarios, Council generally has a conservative risk appetite but accepts there are risks associated with many of Council's activities. Where there is a negative impact , Council is usually willing to accept a higher level of risk to achieve its strategic objectives, however all risk scenarios will be analysed and evaluated on a case by case basis. An Extreme Risk Rating is NOT ACCEPTABLE and such a level shall not be tolerated by Council.

4 RESPONSIBILITIES

The Council, General Manager, Directors, Managers, Supervisors and Employees, Contractors and Consultants are to be familiar with, and competent in, the application of the ERM Policy, and are respectively accountable for the delivery of this Policy within their areas of influence and responsibility. These are outlined in Council's ERM Plan.

5 ENTERPRISE RISK MANAGEMENT PLAN

5.1 Council's ERM Plan is the document that articulates how the intent of the ERM Policy (this policy) is to be communicated and implemented throughout the organisation. It provides clear guidance and the associated processes, procedures and standards that are to be observed.

5.2 Effective communication is critical to the successful implementation of this policy. Council is to develop and implement a Communication Strategy that will ensure this policy and its intent is known, clearly understood and applied by all staff within the organisation.

5.3 Similarly, a Reporting Strategy will provide effective channels for information, decision making and instructions to be relayed efficiently and effectively in order to successfully manage any potential risk that may impact on Council's achievement of objectives. Council personnel will follow these protocols.

5.4 Council is committed to the proactive approach to risk management, to continually review its effectiveness and to be flexible enough to adapt to the changing needs of the organisation.
A performance review of the effective implementation of the ERM Plan and activities will be conducted for the Audit, Risk and Improvement Committee. This review will serve to further enhance Council's performance that will have Council seen as a proactive and resilient leader by the community.

6 RISK TOLERANCE / APPETITE

6.1 How much risk Council is willing to accept will vary with each circumstance. Staff must be aware that there are risks Council will NOT be prepared to accept and as such, it is important to identify these and follow appropriate protocol.

6.2 Risk levels that are NOT ACCEPTABLE by Council are those risks where:

a) Any reasonable preventable accident/incident resulting in the loss of life or serious injury

b) Any reasonable preventable incident that will threaten the provision of critical services and the well-being of the community.

c) Any reasonable preventable activity that will cause extensive endangerment or will cause long term or permanent damage to the environment.

d) Any reasonable preventable activity that will disrupt normal business activities and/or cause major damage to reputation.

e) Any reasonable activity that will cause Council significant financial loss.

7 RECORD REQUIREMENTS

All documents associated with the ERM System and procedures will be kept in the appropriate Blayney Shire Council electronic records management system. All Blayney Shire Council stakeholders are responsible for the formal retention of any risk management documents.

8 CONFLICT OF INTEREST

It is all employees' responsibility to ensure that there are no conflict of interest situations existing in undertaking their respective Council role. All conflicts of interest will be managed in accordance with Council's Code of Conduct Policy and Procedures.

PLAN

9 INTRODUCTION

This Enterprise Risk Management Plan establishes the framework and context, in terms of how Blayney Shire Council (Council) manages risk. Council recognises that risks are an integral part of normal everyday life. Taking control of risk is good business practice, and allows for risks to be identified, analysed, evaluated and treated. A set of descriptors and tables, known collectively as the Risk Rating Tables, or Risk Rating Matrix, are included to assist measuring and evaluating risks and controls and establishes a common language to manage risk and defines Council's level of risk tolerance.

Council shall manage risks associated with Council operations through:

- Identification of foreseeable risk;
- Assessment of the consequence of an event;
- Implementation of corrective/preventative measures which aim to eliminate if possible, or if not, control or prevent risk according to the hierarchy of control;
- Review or evaluation of the effectiveness of risk control measures; and
- Providing instruction, training, information and supervision to support risk management. The requirements of this Plan shall apply to all Councillors, Council employees, contractors (including labour hire and temporary employees) and where applicable volunteers.

Blayney Shire Council has adopted the three lines of defence assurance model within its risk management process. This ensures the continuous effective embedding of a risk culture in the management of each directorate.

Figure 1: 3 lines of Defence Assurance Model

10 OBJECTIVES

To provide Blayney Shire Council with a consistent approach to Risk Management across all of Council and to assist staff in making decisions in their day to day activities, and the management of the risks that will be encountered in those activities.

11 DEFINITIONS

Action Plan – a plan formulated for the treatment of a risk. Action plans consider implementing controls, strengthening current controls or introducing additional controls that reduce the likelihood of the risk and/or the impact of the consequences.

Business Continuity Plan - a treatment plan for certain risks when consequences could disrupt core business functions. The plan outlines the actions to be taken and resources to be used before, during and after a disruptive event to ensure the timely resumption of critical business activities.

Consequences - the impact or outcome of an event.

Control - a procedure, system, activity or process that modifies the likelihood and/or consequences of risk.

Event – occurrence or change of a particular set of circumstances.

Hazard – a situation or thing that is the source of potential harm.

IP&R – integrated planning and reporting.

Likelihood - a measure of how likely it is that a certain consequence will eventuate.

Residual Risk – risk remaining after treatment.

Risk - the effect of uncertainty on objectives and is measured as a loss or gain.

Risk Analysis - the process that determines risk by evaluating the effectiveness of existing controls and assigning values for consequences and likelihood

Risk Acceptance – an informed decision to take a particular risk or accept a level of risk. Risk Acceptance can occur without risk treatment or during the process of risk treatment and is subject to monitoring and review.

Risk Appetite – the amount and type of risk that Council is willing to pursue or retain.

Risk Evaluation - a process of comparing the results of risk analysis to determine whether the risk is acceptable or tolerable.

Risk Identification means a process of finding, recognising and describing risks. The identification of risk includes the identification of the source, the events, their causes and their potential consequences.

Risk Management – the coordinated activities to direct and control Council with regard to risk.

Risk Owner - a person or entity with the accountability and authority to manage a risk.

Risk Rating - a determined value that is assigned to the risk.

Risk Tolerance - a degree that a Council is willing to accept risk, after risk treatment, in order to achieve its objectives.

Risk Treatment – process to modify risk.

Stakeholders – includes Councillors, employees, staff, trainees, labour hire personnel, contractors, volunteers and individuals and / or groups inside or outside the organisation, who have direct interest in the actions, products and services of the organisation.

12 RISK MANAGEMENT

Risk management is a critical component of Council's overall performance and an essential element of good corporate governance.

There is a direct relationship between risk and opportunity in all business activities, and as such, Council needs to be able to identify, measure and manage its risks in order to be able to manage threats and opportunities to achieve its goals and objectives. Risk management is simply the practice of systematically identifying and understanding risks and the controls that are in place to manage those risks.

Risk is the effect of uncertainty on objectives and can be described as:

- Any threat than can potentially prevent Council from meeting its objectives;
- Any opportunity that is not being maximised by Council to meet its objectives.

The process for managing Council's risks is consistent with AS/NZS ISO 31000:2018 Risk Management – ~~Principles and~~ Guidelines.

13 MANAGING RISK

The primary reason for managing risk is to enable Council to successfully achieve its goals. With the growing need for transparent decision-making, a structured, systematic risk management process demonstrates the required due diligence. A comprehensive understanding of the risk exposures facing Council also facilitates effective planning and resource allocation, and encourages a proactive management culture, with flow-on benefits for every aspect of Council's operations.

14 APPLICATION OF RISK MANAGEMENT

Risk management is to be applied at all levels of Council operations, as it is most successful when fully integrated into normal operating procedures, processes and systems.

Everyone is accountable in managing risk.

Council has adopted an implementation framework, which provides a step by step outline for implementing risk management. There is a strong emphasis on training, education and communication, to ensure the skills of managers, supervisors and employees will be developed and maintained.

This risk management plan provides the framework for risk management and provides Blayney Shire Council staff with guidance in how to apply consistent and comprehensive risk management.

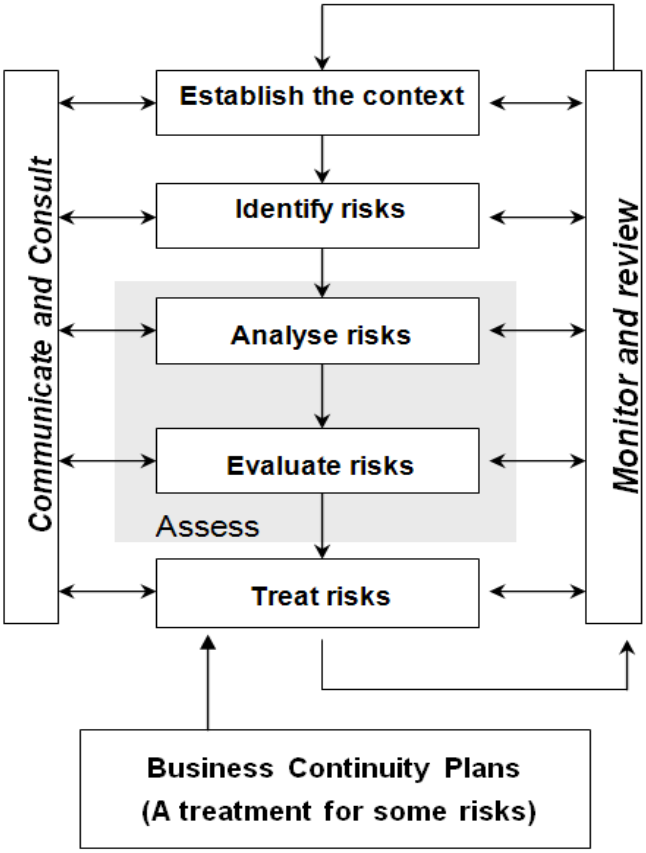

Figure 2: Risk Management Process

15 ROLES AND RESPONSIBILITIES

A commitment to risk management shall exist at all levels of Council.

Councillors

Councillors are responsible for adopting and committing to the Enterprise Risk Management Policy, setting of the risk appetite and overseeing Council's risk management framework. They approve and allocate funding, report to the community and liaise with the General Manager and Directors.

General Manager

The General Manager is to oversee the management of Blayney Shire Council's Enterprise Risk Management Policy and Enterprise Risk Management Plan. The General Manager ensures this policy and the plan's implementation across all aspects of Council business. The General Manager will display leadership, direction and report to Council and statutory bodies. The General Manager is responsible for allocation of sufficient resources to support the effective and efficient management of risk and that risk management is aligned to the IP&R objectives and Operational Plan. The General Manager ensures that Council and Executive Services risks are identified and recorded in the Council Risk Register.

Management Executive Group (MANEX)

MANEX is chaired by the General Manager with the other members being the Directors. It meets weekly. MANEX will oversee the implementation, decide on the direction, monitor and review the risk management process. Risk management is a standing agenda item on the MANEX agenda and reports from the WHS & Risk Coordinator are tabled.

Directors

Directors are accountable for the implementation and currency of this Enterprise Risk Management Plan and its associated documents within their department. Other responsibilities include ensuring training and resources are available, providing leadership and support, and report to MANEX on matters relating to risk management. Directors ensure that departmental risks are identified and recorded in the Council Risk Register. The Director is notified of these risks and is the owner of the risks within their Directorate.

Managers

Managers are responsible for implementing and maintaining sound risk management processes to conform to this Enterprise Risk Management Plan. It is the responsibility of all Managers to actively promote a culture where risk mitigation is seen as the responsibility of all staff and contractors employed by Council. Managers are accountable for compliance, adherence to time frames, monitoring and review. They provide direction and support to supervisors and staff, and report to their Director. Managers are responsible for enforcing compliance with identified mitigating controls in place to manage identified risks and developing and implementing risk treatment plan actions where required ensuring all are completed in the prescribed/agreed timeframes.

Information Technology Manager

The Information Technology (IT) Manager is responsible for providing support to all staff, including consultants, contractors and outsourced service providers for them to understand the cyber security requirements of their roles. The IT Manager is also responsible for implementing policies, procedures, practices and tools to ensure compliance and establishing training and awareness programs to increase staff's cyber security capabilities. This responsibility is to ensure Council

- maintains a secure-by-design approach for new initiatives and upgrades to existing systems to ensure compliance within the Council's cyber risk tolerance,
- builds cyber incident response capabilities,
- ensures security breaches or near misses affecting information assets are investigated and reported; and
- maintains a proactive approach to ensuring the security of the system is kept at the highest possible security level.

Supervisors

Supervisors are required to create an environment where the management of risk is accepted as the personal responsibility of all staff. Their duties include instruction, monitoring and enforcing risk management processes. They assist Council by communicating and consulting with staff, ensuring identification of hazards and risks ensuring they are eliminated or minimised, reviewing the effectiveness of controls and reporting incidents. Supervisors report to their managers and Director.

Stakeholders

All stakeholders are responsible for their participation in Enterprise Risk Management activities and processes to minimise Council's exposure to risk within their area of activity. Worker participation includes the documentation of work methods, processes and risk assessments. Other responsibilities include attending training in risk management, reporting unsafe acts or any conditions of risk, incidents or injuries and compliance with direction, policies and procedures.

Audit Risk and Improvement Committee

A formally appointed committee of the Council and is responsible to that body. The objective of the Audit, Risk and Improvement Committee is to provide independent assurance and assistance to Blayney Shire Council on risk management, control, governance and external accountability responsibilities.

WHS & Risk Coordinator

The WHS & Risk Coordinator primary responsibility is the coordination, documentation, monitoring and compliance of risk management within Council. The WHS & Risk Coordinator reports directly to the General Manager and responsibilities include; providing risk management advice and assistance, distributing information and facilitating training in risk management for all Council staff.

16 COMMUNICATION AND CONSULTATION

Communication and consultation are important elements in each step of the risk management process. Ongoing stakeholder engagement is crucial for success in the identification and management of risk.

Effective communication ensures those accountable for risk management and those with a vested interest, understand the basis on which risk management decisions are made and why particular strategies are implemented. It is important that the communication approach recognises the need to promote risk management concepts across all management and employees.

Communication is the sharing of information, ideas, experience and viewpoints. A structured approach to communication and consultation will provide the following benefits:

- Organisational unity and a risk tolerant culture;
- Risk management process is credible and understood;
- The interests of stakeholders are understood and considered;
- Integration of multiple viewpoints;
- Securing endorsement and support for risk action planning;
- Risk management is embedded in the way we do things.

17 RISK MANAGEMENT FRAMEWORK

Blayney Shire Council's risk management process is aligned to its strategic goals and objectives and is integrated within the overall planning and management functions of Council.

Council's risk management process is about understanding Council's environment by considering the following:

- Vision and values as set out in its Community Strategic Plan;
- Strategic direction, goals and objectives;
- Internal and external environment;
- Internal and external stakeholders;
- Community expectations;
- Organisational planning, reporting and management;
- Roles, responsibilities and communication strategies;
- Organisational governance and the integration of risk management;

- Operational planning, skills and resources.

18 RISK MANAGEMENT METHODS

There are a number of different methods Council utilises to manage risk. Blayney Shire Council engages a three process risk assessment structure:

Process 1 – site or task specific risk assessments
Process 2 – procedures and safe work method statements
Process 3 – high level risk assessments and action plans

All three methods involve a systematic approach of risk identification, risk analysis and evaluation and risk treatment and control. The selection of risk assessment method is in relation to the level of risk or its complexity and exposure. Alternatively management may apply a specific method based on other factors introduced to the activity or task.
When the level of inherent risk is identified as extreme or high they are to be recorded in the Council Risk Register.

The **Risk Register** is a log of the identified risk and hazards, and contains details of:

- Risk or Hazard identification and type;
- A risk statement describing the risk or hazard;
- Details of the business or work unit and ownership of the risk;
- Assessed likelihood and consequence descriptors;
- Risk rating;
- Appropriate Control Measures;
- Adequacy of those Control Measures;
- Responsibilities for actions;
- Monitoring and review process.

Risk registers shall be reviewed and reported to MANEX every two months. Reports to Council and Audit Committee are to be prepared three times a year or where there has been a significant incident or occurrence, and where changes to legislation or business practice occur.

19 RISK IDENTIFICATION

Council's Enterprise Risk Management Methodology is based on AS/NZS ISO 31000:2018 Risk Management Guidelines and involves as assessment of the risk consequences and likelihood. To ensure that all risks within Council are addressed, a structured, systematic approach to defining and identifying risk is essential.
Risk identification considers what can happen, when and where, and why and how it can happen. Comprehensive risk identification using a well-structured process is critical, in order to achieve the strategic and operational outcomes agreed to by Council.

Risks can be identified using many techniques, including:

- Checklists developed for specific events/projects/activities
- Questionnaires and individual staff interviews
- Examination of previous Council records of events/projects/activities
- Group methods such as brainstorming or workshops with relevant stakeholders
- Internal or external audits and the utilising of relevant codes or standards.

Strategic and operational risks that affect objectives can be identified in areas such as:

- Service delivery
- Reputation

- People and culture
- Finance
- Fraud and corruption
- Health and safety
- Stakeholder
- Business continuity
- Security
- Compliance with legislative requirement

20 RISK ASSESSMENT

This is the process of considering the consequences and likelihood of a risk to determine the level of risk using the Risk Descriptors and Risk Matrix.

Consequence Rating

When analysing the consequences of a risk or event, consider the level of impact in relation to each of the consequence categories described in the Consequence Rating Table (Figure 3). Consequence is the outcome, injury, loss, gain, damage or any other unwanted outcome if the risk eventuates. Consequence ranges from minor to catastrophic.

Likelihood Rating

This describes how likely that a risk or event will eventuate. Likelihood can also be described as probability or frequency determined by referring to statistics, documents, skills and knowledge, past risk assessments and experiences (see Figure 4). Likelihood ranges from very unlikely to almost certain.

Risk Evaluation

The level of risk, or risk rating, is evaluated by cross referencing the consequence and likelihood rating tables using the risk rating matrix (see Figure 3). Within each category of risk there may be multiple scenarios ranging from Minor and very unlikely with a low risk rating to Catastrophic and almost certain which has an extreme risk rating. It is important to rate what is the most probable or realistic level of risk considering both consequences and likelihood.

Consequence				
Category	Catastrophic	Major	Moderate	Minor
People	Fatality/multiple fatalities/life threatening injury or illness /extensive long term injury	Severe injuries/ permanent disability/lost time injury	Medical treatment or hospitalisation/ restricted duties time	First aid/minor injury/no lost time
Property & Finance	Extensive loss and long term consequences ($1M+/>10% of Budget)	Major financial loss, replacement of property or infrastructure ($300,000-$1M/>5% of Budget)	Significant financial loss and impact on operations ($10,000+/<5% of Budget)	Negligible financial loss or property damage (<$10,000/< 1% of Budget)
Information Technology and Communications	Complete loss of all records and data; disaster management required	Loss of critical functions across multiple areas; extensive management and resources required	Significant interruption in multiple areas	Minor downtime in single area
Reputation	Extensive public outcry, potential broad media attention	Significant public criticism with media attention	Local community concern or criticism	Isolated, internal or minimal adverse attention or complaint
Environment	Extensive impact; Fatalities occur; requires long term remediation	Serious medium term impact; external services required to manage	Significant impact; contained with assistance	Minimal impact; dealt with by normal operations
Legal & Governance	Extensive breach, fines litigation and possible class action; threat to viability of organisation	Serious breach involving statutory authority with formal inquiry, fines and litigation; long term significance	Contained non-compliance or breach with short term significance	Isolated non-compliance or breach Managed by normal operations

Figure 3: Consequence Rating Table

Descriptor	Description	Indicative Frequency
Almost Certain	The event is expected to occur in most circumstances	>80% of the time
Likely	The event will probably occur in most circumstances	50-80% of the time
Unlikely	The event is not expected to occur	20-50% of the time
Very Unlikely	The event could happen but only in exceptional circumstances	<20% of the time

Figure 4: Likelihood Rating Table

Consequence	Likelihood			
	Almost Certain	Likely	Unlikely	Very Unlikely
Catastrophic	**Extreme**	**Extreme**	**High**	**High**
Major	**Extreme**	**High**	**High**	**Medium**
Moderate	**High**	**High**	**Medium**	**Low**
Minor	**High**	**Medium**	**Low**	**Low**

Figure 5: Risk Rating Matrix

21 RISK APPETITE

- The risks that the Council is prepared to take to achieve its strategic objectives;
- The risks that it is prepared to endure in response to a decision not to implement treatments; and
- The acceptance of the residual risk following the implementation of risk treatments.

Under most risk scenarios, Council generally has a conservative risk appetite but accepts there are risks associated with many of Council's activities. Where there is scope for discretion, Council is usually willing to accept a higher level of risk to achieve its strategic objectives, however all risk scenarios will be considered on a case by case basis.

Figure 6 provides a summary of Blayney Shire Council's Risk Appetite position across its identified risk categories. Each category has at least one shaded cell, which represents the general appetite position. Some categories contain multiple shaded cells, which is indicative of a willingness to adjust the appetite in certain circumstances.

Blayney Shire Council Risk Appetites				
Category	**Avoid**	**Averse**	**Accept**	**Receptive**
Service Delivery			**General acceptance**	
Human Resources/People Management			**General acceptance**	
Work Health & Safety	**General acceptance**			
Financial				
Environmental Influences		**General acceptance**		
Stakeholders			**General acceptance**	
Corporate Governance & Compliance		**General acceptance**		
Political			**General acceptance**	
Projects			**General acceptance**	
Information Technology and Communications	**General acceptance**		~~**General acceptance**~~	

Figure 6: Summary Risk Appetite Positions

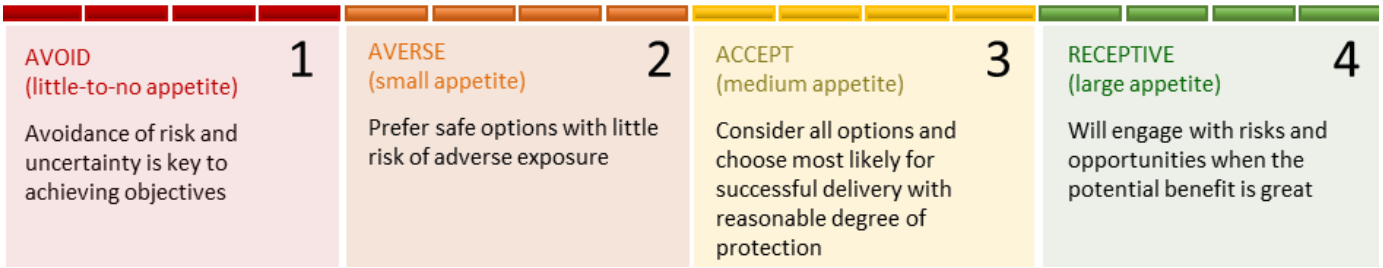

Figure 7: Risk Appetite Scale

22 APPETITE STATEMENTS

Service Delivery	
Appetite	**Statement (long form)**
Accept to Averse	Council may ***Accept*** some risk in these areas where minor disruption for short periods will provide long-term benefits that outweigh the consequences. Council has an ***Averse*** risk appetite for taking on risks to operations that would adversely impact delivery of services to the community, or the effective management of assets, infrastructure, or projects.

Human Resources/people management	
Appetite	**Statement (long form)**
Accept to Receptive	As a general position Council is willing to ***Accept*** risk to all aspects of human resources and will choose the most likely option for successful delivery with a reasonable degree of protection. In some circumstances Council will be more ***Receptive*** and will engage with risks and opportunities when the potential benefit is great in an endeavour to ensure Council retains its valuable employees and that we can also can attract the most suitable applicants for vacant positions. .

Work Health & Safety	
Appetite	**Statement (long form)**
Avoid to Averse	Council has an Averse risk appetite and will seek to ***Avoid*** risk and uncertainty with regard to Risks relating to accident, injury or illness to Council staff, Councillors, contractors, visitors or members of the public.

Financial	
Appetite	**Statement (long form)**
Averse	As a general position Council has an ***Averse*** risk appetite with relation to significant financial decisions which may negatively impact on council's financial sustainability, and will endeavour to take safe options to limit risk exposures.

Environmental Influences	
Appetite	**Statement (long form)**
Averse to Avoid	Council has an ***Averse*** risk appetite for taking on risk relating to environmental impacts including pollution, climate change, natural climatic events, land use and the natural environment, and prefers safe options with little adverse risk exposure. However, under certain circumstances Council has an ***Avoid*** risk appetite for taking on risk where the environmental position within the community could be severely impacted or compromised.

Stakeholders	
Appetite	**Statement (long form)**
Accept to Averse	In general Council has an ***Accept*** risk appetite to taking on risk relating to parties external to Council and their relationship/interaction with Council, the impact of change, and stakeholder expectations. Council will consider all options and will choose the most likely option for successful delivery with a reasonable degree of protection. In certain circumstances Council may have an ***Averse*** risk appetite where

	they will prefer to adopt an attitude of taking safe options with little risk of adverse exposure.

Corporate Governance & Compliance	
Appetite	**Statement (long form)**
Averse to Avoid	In general Council has an ***Averse*** risk appetite with regard to risks relating to corporate governance and compliance, including the efficient and effective direction and operation of the organisation; ethical, responsible and transparent decision making and will prefer safe options with little risk of adverse exposure. Council; however has an ***Avoid*** risk appetite for taking on any risk relating to corruption, fraud; procedural/policy, legal and legislative compliance. Under these circumstances Council has an attitude of avoidance where uncertainty in achieving its objectives exists.

Political	
Appetite	**Statement (long form)**
Accept to Receptive	As a general position Council is willing to ***Accept*** risk relating to activities that may prove to be politically challenging. In the pursuit of this type of risk Council will consider all options for successful delivery of operations that may generate the scrutiny of authoritative agencies such as ICAC, or activities that increase public pressure on decision-making, with a reasonable degree of protection. In certain circumstances Council may have a ***Receptive*** risk appetite where it will prefer to adopt an attitude of engaging with risks and opportunities when the potential benefit is great.

Projects	
Appetite	**Statement (long form)**
Accept to Averse	Council has an ***Accept*** risk appetite for taking on risk relating to projects and will always consider all options and choose the one where successful delivery is achievable with a reasonable degree of protection. Major projects can vary greatly in respect to their respective complexity and associated risks. Therefore, Council may vary its risk appetite for each project after consideration of their respective risks on a project by project basis.

Information Technology and Communications	
Appetite	**Statement (long form)**
Avoid to Accept	Council; has an **Avoid** risk appetite for taking on any risk which may compromise the security or integrity of Council's ICT infrastructure and support systems. Including communications and data breaches of any third party information that is held and will take all measures to ensure that staff internally and the community and stakeholders externally are receiving accurate and transparent communications. However as a general position Council is willing to **Accept** risk relating to the resilience of its ICT infrastructure and support systems and its internal and external communications and messaging. Council will consider all options with regard to risk in this area and choose the most likely for successful delivery with a reasonable degree of protection.

23 RISK TREATMENT

Risks that are identified, assessed and evaluated can be modified by the process of risk treatment.

The aim is not to eliminate all risks but to ensure the risk maintained is tolerable to Council's risk appetite level and to manage risks through the term of the project/event.

Approaches to risk treatment include:

- Ceasing the activity that creates the risk
- Mitigating the risk, in the case of a threat, to reduce the likelihood and/or consequence or in the case of opportunity, to enhance the likelihood and/or consequence (i.e. controlling the risk)
- Monitoring the risk and/or the effectiveness of controls
- Accepting the risk
- Sharing or transferring the risk

In some cases, existing controls will be determined to be effective, and the risk will be accepted. In other cases, the risk will need to be more effectively managed before it can be accepted. Risk treatment is therefore strengthening existing controls or developing and implementing new controls, so that the risk can be accepted.

Following the risk rating process, the level of risk needs to be re-evaluated to determine if the controls reduces the risk to an acceptable level. If it is determined that the risk is not reduced to an acceptable level, additional controls will be required.

Actions planned to manage a risk are to be documented and allocated to the appropriate staff member to be implemented within an acceptable timeframe.

24 MONITOR AND REVIEW

The introduction of control measures will require a review of any changes to the way work is carried out. Continuous monitoring and review of controls implemented enables Council to proactively identify new risks, understand the effectiveness of implementing risk management strategies and take risks off the radar.

In major projects risk reviews should occur throughout the delivery of that project. Monitoring and reviewing is a continuous process, the reviewing process should be updated and documented and be responsive to change.

25 COMMUNICATION AND CONSULTATION

Communication and consultation are important steps in the risk management process. Effective communication will ensure those responsible for implementing risk management and other interested stakeholders understand the process on which risk management decisions are made and the actions required. It is also important to consider the thoughts and needs of others when identifying and assessing risks.

26 RELATED DOCUMENTS

- Blayney Shire Council WHS Policy 9A
- AS/ISO 31000 Risk Management – Guideline
- SA/SNZ HB 436:2013 Risk management guidelines – Companion to AS/NZS ISO 31000:2018 SA SNZ HB 89 - 2013 Risk management - Guidelines on risk assessment techniques

- Work Health and Safety Act 2011
- Work Health and Safety Regulation 2017
- Local Government Act 1993

End

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	15/03/2021	**2103/010**
	14/02/2023	**2302/012**
Next Reviewed:	**20/05/2025**	