



1 HEAD OF POWER

- *ISO 31000:2018 - Risk Management Guidelines*
- *Local Government Act 2009*

2 POLICY PURPOSE

This Risk Management Policy Framework establishes a structured and consistent approach to risk management for Pormpuraaw Aboriginal Shire Council (Council). It consolidates risk management governance into a single framework to ensure effective identification, evaluation, and mitigation of critical risks that may significantly impact Council operations, financial sustainability, or community welfare.

This framework aims to:

- Embed risk management within the Council's culture and decision-making processes.
- Ensure a proactive and systematic approach to addressing high and extreme risks.
- Align risk management with governance, strategic planning, and operational functions.
- Enhance Council's resilience to emerging risks and changing conditions.

3 POLICY OBJECTIVE

The primary objectives of this framework and policy are to:

- Embed risk management within the Council's culture and decision-making processes.
- Ensure a proactive and systematic approach to addressing high and extreme risks.
- Align risk management with governance, strategic planning, and operational functions.
- Enhance Council's resilience to emerging risks and changing conditions.
- Protect Council's financial sustainability, reputation, staff, and community assets.

4 POLICY SCOPE

This policy applies to all elected representatives, officers, employees, contractors, and volunteers of Council. It encompasses all Council activities, including entities under direct ownership, management, sponsorship, or financial control.

This policy does not override or apply to specific Health and Safety Risks.

5 RISK MANAGEMENT FRAMEWORK

5.1 RISK MANAGEMENT PRINCIPLES

Council's risk management approach aligns with ISO 31000:2018 and is guided by the following principles:

- **Integrated:** Risk management is embedded across all Council functions.

- Structured & Comprehensive: A consistent approach ensures reliable outcomes.
- Customised: Proportional to Council's unique operational environment.
- Inclusive: Stakeholder involvement fosters awareness and informed decision-making.
- Dynamic: Responsive to internal and external changes.
- Best Available Information: Uses current data for informed risk assessments.
- Human & Cultural Factors: Considers behavioural and organisational influences.
- Continual Improvement: Risk management is reviewed and refined over time.

5.2 RISK MANAGEMENT PRINCIPLES

Council manages the following key risk categories, focusing on high and extreme risks:

- Health & Safety: Staff, community, and contractor welfare.
- Financial Sustainability: Budgetary control, funding, revenue constraints, procurement, contractual failures and economic stability.
- Service Delivery & Infrastructure: Essential services, infrastructure failure, business impacts and asset management.
- Legal & Regulatory Compliance: Legislative obligations, government regulations and governance.
- Environment & Culture: Protection of natural and cultural assets.
- Reputation & Community: Trust, engagement, and public confidence.
- Systematic change or disruption: Population changes,
- Disaster event: natural hazard or human related event
- Personnel: insufficient skilled key personnel

5.3 RISK APPETITE & TOLERANCE

Council adopts a **conservative risk appetite**, with no tolerance for risks that:

- Compromise safety and welfare.
- Threaten financial sustainability.
- Result in major legal non-compliance.
- Cause significant service disruption.
- Severely damage Council's reputation.

Council has **some appetite** for risks that improve efficiency, reduce costs, or enhance service delivery to the community, and provided adequate controls are in place.

5.4 RISK ASSESSMENT & TREATMENT

Risk management at Council follows a five-step process:

1. Identify Risks – Recognise threats to objectives.
2. Assess Risks – Determine likelihood and consequence.
3. Evaluate Risks – Prioritise based on severity.
4. Treat Risks – Implement mitigation strategies.
5. Monitor & Review – Continually assess effectiveness.

For **high and extreme risks**, risk owners must develop formal treatment plans and report progress to senior management and Council.

5.5 RISK REGISTER

A centralised Risk Register is maintained to document identified risks, control measures, and treatment plans. Risk owners must ensure timely updates and accurate reporting

6 ROLES AND RESPONSIBILITIES

6.1 COUNCIL

- Oversees the management of high and extreme risks, ensuring appropriate controls and mitigations are in place.
- Reviews periodic risk management reports and provides direction for continuous improvement.
- Promotes a strong risk management culture across all levels of Council.

6.2 CHIEF EXECUTIVE OFFICER (CEO)

- Ensures the effective implementation of the risk management framework within Council operations.
- Provides oversight on risk treatment plans and ensures compliance with governance requirements.
- Reports on significant risks and mitigation strategies to the Council and Audit Committee, ensuring transparency in risk decision-making.
- Champions risk management principles within the organisation and promotes accountability among staff.

6.3 SENIOR MANAGEMENT TEAM (RISK OWNERS)

- Drive the integration of risk management into Council operations and strategic planning.
- Identify, assess, and manage risks within their respective areas of responsibility.
- Ensure risk treatment actions are implemented and monitored for effectiveness.
- Regularly update the Risk Register and provide reports to the CEO and Council on risk-related matters.
- Foster a risk-aware culture by ensuring employees understand and adhere to risk management protocols.

6.4 EMPLOYEES, CONTRACTORS & VOLUNTEERS

- Follow established risk control measures, policies, and procedures to maintain workplace safety and compliance.
- Engage proactively in discussions regarding risk and contribute to a culture of continuous risk improvement.

6.5 AUDIT & RISK COMMITTEE

- Reviews and evaluates the effectiveness of Council's risk management processes and governance framework.
- Provides independent advice to the Council on risk management treatment plans and improvements.
- Supports continuous improvement through regular assessment of risk policies and procedures.

7 HUMAN RIGHTS COMPATIBILITY STATEMENT

This policy has been assessed as compatible with Human Rights protected under *the Human Rights Act 2019*.

8 DEFINITIONS

Term	Definition
Council	Pormpuraaw Aboriginal Shire Council
CEO	A person who holds an appointment as chief executive officer under section 194 of the <i>Local Government Act 2009</i> .

9 RELATED POLICS AND OTHER DOCUMENTS

- AS/NZS ISO 31000:2018 – Risk Management Guidelines
- Local Government Act 2009 (QLD)
- PASC Corporate Plan
- PASC Operational Plan
- Fraud & Corruption Prevention Policy
- Workplace Health & Safety Policy
- Audit Committee Terms of Reference
- Risk Treatment Plan Template

10 MONITORING AND REVIEW

A review of the framework may be triggered by:

- Legislative or regulatory changes.
- Significant risk incidents or audit findings.
- Major operational or structural changes within Council.
- Council or Audit Committee direction.

Notwithstanding the above, this policy is to be reviewed every four (4) years for relevance and to ensure that its effectiveness is maintained.

11 RESPONSIBILITY

This Policy is to be implemented by the CEO; and reviewed and amended in accordance with the by the Executive Manager Corporate Services.

12 VERSION CONTROL

Version	Details	Resolution No	Date
V1	Developed and adopted	2025/19	16 April 2025