

# RISK MANAGEMENT

CS150



NARRANDERA SHIRE COUNCIL POLICY

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## RISK MANAGEMENT

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<b>Policy Title:</b>	<b>Risk Management</b>
<b>Department Responsible:</b>	<b>Corporate Services</b>
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### **Policy Statement**

This is the primary Narrandera Shire Council Policy demonstrating a commitment and a focus on strategies to identify, evaluate and control risks to the Narrandera Shire Council and the community.

Narrandera Shire Council is committed to excellence in Risk Management in order to benefit the community and manage the cost to Narrandera Shire Council. To meet this commitment, risk is to be every employee's concern. All employees are required to be competent and accountable for adequately managing risk within their area of responsibility.

Narrandera Shire Council is committed to risk management as an integral part of its functions and operations. Narrandera Shire Council's Risk Management will focus on strategies which will provide a safe community and workplace by minimising risks.

This policy provides the framework and direction for the development of a suite of Risk Management policies, processes and procedures for the following areas of responsibility:

- Infrastructure
- People (Staff & Community Members)
- Emergencies
- Health & Environment
- Governance

**This policy is to be read in conjunction with the Risk Management procedure (TRIM ED45-159)**

### **Objectives**

- To promote and support risk management practices
- To recognise that successful risk management is the responsibility of all employees

- To encourage the identification and reporting of potential risks to all stake holders
- To implement processes to reduce risk
- To allow for more effective delivery of Narrandera Shire Council programs
- To establish and promote practices which minimise losses and provide a safe environment for staff and the public by:
  - Documenting and reviewing current practices
  - Adapting current practices to incorporate Risk Management Principles
  - Continuing to review practices with the aim of achieving industry best practices
- To protect and enhance Narrandera Shire Council's image as a professional, responsible and ethical organisation
- To provide resources to develop, maintain and promote Narrandera Shire Council's Risk Management Plan.

### **Roles and Responsibilities**

All Narrandera Shire Councillors and Narrandera Shire Council staff have an obligation developing a "RISK AWARE" culture within the organisation.

Narrandera Shire Council is accountable for ensuring appropriate resources are allocated to Manage Risk.

The General Manager has overall responsibility for Risk Management across Narrandera Shire Council and is therefore responsible for:

- Demonstrating a commitment to Risk Management
- Exercising due diligence
- Ensuring the implementation and ongoing evaluation of appropriate Risk Management systems
- Ensuring that a safe and healthy working environment is provided and maintained in all situations and at all Narrandera Shire Council sites. This responsibility is also for employees, independent contractors and their employees who are undertaking work on behalf of the Narrandera Shire Council, and members of the public
- Ensuring appropriate resources are allocated to meet Narrandera Shire Council's Risk Management obligations
- In fulfilling this obligation, there is a commitment to consult with directors, managers, supervisors, **and** employees to ensure that the systems and policies operate effectively.

Directors, Managers and Supervisors are required to create an environment where managing risk is accepted as the personal responsibility of each employee. Through appropriate training they are accountable for the implementation and maintenance of sound Risk Management within their areas of responsibility, in conformity with this Risk Management Policy.

All employees are to be actively involved in the identification assessment and management of Risk to the best of their ability. They are required to communicate to their supervisor any identified Risk associated with faults or errors in Narrandera Shire Council's assets (owned and/or controlled), activities, procedures or policies as well as any non-compliance with Narrandera Shire Council controls or requirements that are likely to expose Narrandera Shire Council to Risk.

The Risk Management Committee's role is to:

- Endeavour to provide a safe environment for residents visitors and employee's
- Proactively manage Narrandera Shire Council risks
- Establish the future direction of risk management programmes.

### **Risk Management Strategies**

The development and implementation of risk management strategies is a Narrandera Shire Council priority that will occur under the guidance of the General Manager and the Risk Management Committee. Consultation with employees, management and stakeholders will be an integral part of the development and implementation process.

To assist in the management, identification and control of risk, the Best Practice Manuals prepared by Statewide Mutual will be adopted and implemented. The Best Practice Manuals are prepared in a format that follows the Risk Management Standard ISO 31000:2009 which has superseded the previous standard AS/NZ 4360.

To meet this requirement, risk management is recognised as every employee's responsibility and sound risk management principles and practices must become part of the routine management strategies adopted by all staff. Council has developed a risk management procedure (Trim ED/45-159) which provides the systems and steps to be taken to manage risk at Council.

Accountability for the management of risk, at both management and employee level, should be reflected in performance plans, job descriptions and key performance indicators.

The management of risk will be integrated into Narrandera Shire Council's existing planning and operational processes and will be recognised in the funding and review reporting mechanisms, on the basis of the evaluation of the level of risk and Narrandera Shire Council's exposure. A register of risks, including high strategic risks to routine operational exposures will be used to identify known risks and assist in the process of prioritizing funding and work allocation to reduce the risk exposure to Council.

A risk matrix and rating scale will be used to assess identified risks and determine appropriate action on each rating level. The rating level will allow for the prioritisation of risks according to the severity and will provide for a systematic approach to the control of the risks. A copy of the risk matrix to be used is provided in the risk management procedure (TRIM ED/45-159).

New workers will receive a basic introduction to risk management at their induction to Council.

A business continuity plan has been established to ensure that the organisation can continue to function in the event of a disaster. A desktop audit and paper test is conducted every 2 years to ensure that the plan is up to date and relevant with current operational requirements.

Policies, processes and procedures will be developed in accordance with the Best Practice Manuals and will include but shall not be confined to the following:

- Footpaths
- Roads
- Trees & Tree Roots
- Certificates and Applications
- Signs As Remote Supervision
- Gathering Information
- Community Events
- Volunteers
- Bitumen and Asphalt Resurfacing

**Related Procedures**

Risk Management Procedure – TRIM ED/45-159

**Related Legislation**

Work Health and Safety Act 2011

Work health and Safety Legislation 2011

## **Glossary of Terms**

Risk Assessment	The overall process of risk analysis and risk evaluation.
Risk Management Control	The part of risk management which involves the provision of policies, standards and procedures to eliminate or minimise adverse risks.
Risk Management Principle	The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.
Risk Management Strategy	<p>The Risk Management strategy seeks to support and enable the continuation and expansion of a program through a range of targeted activities that are linked to both specific and general planning processes.</p> <p>The aim of the strategy is to assist Narrandera Shire Council to prevent and/or minimise the adverse affects of all types of risks within its operations.</p>
Risk Management Process	The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks.
Risk Reduction	A selective application of appropriate techniques and management principles to reduce either the likelihood of an occurrence or its consequences, or both.
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.
Risk Analysis	A systematic use of available information to determined how often specified events may occur and the magnitude of their consequences.
Stakeholders	Those people and organizations who may affect, be affected by or perceive themselves to be affected by, a decision or activity.

### ***Variation***

***Council reserves the right to review, vary or revoke this policy.***

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### **Policy History**

Adopted	17 August 2004
Reviewed	15 September 2009
	21 May 2013