

FILE NO: PSC2006-6848

TITLE: INTEGRATED RISK MANAGEMENT

POLICY OWNER: ORGANISATION DEVELOPMENT MANAGER

1. PURPOSE:

- 1.1 Council's purpose is to provide services and make decisions to enhance our quality of life, our economy and our natural environment. The identification, measurement and control of risks to protect the community, the Council and its assets against loss helps to ensure the sustainability of Council services and facilities and ensure the safety of workers, residents and visitors alike. Similarly, the identification and management of opportunities through the application of risk management principles ensures that Council is well positioned to take or increase risk in order to pursue opportunities.
- 1.2 Council recognises that the environmental, social and economic importance of operating in a sustainable manner, ensuring a high level of environmental compliance and performance through continuous improvement and the implementation of our Environmental Management System. Our focus on environmental performance is supported by the Integrated Risk Management System (IRMS) that includes compliance obligations and consideration of environmental aspects such as prevention of pollution, degradation of ecosystems and resource efficiency as part of the risk assessment process.
- 1.3 Critical incident and business continuity management minimises the risk to staff, protects property and guards Council's reputation from events that have, or are likely to have, noticeable and detrimental operational impact on Council. The ability to respond quickly to limit damage in the short window of opportunity that often occurs at the beginning of a crisis can serve to contain the potential costs to Council.
- 1.4 The principles of risk management require staff to make informed judgements based on best available information concerning the level and cost of risk and opportunity involved in achieving cost-effective outcomes. By implementing an IRMS throughout Council, we will be better positioned to meet our objectives and deliver services and infrastructure in a way that is sustainable and meets our customers' needs. The aim of the IRMS aligns with Delivery Program item 15.1.3 'manage risks across Council'.

2. CONTEXT/BACKGROUND:

- 2.1 Port Stephens Council has a responsible approach to risk management, seeking to recognise and manage our exposure to risk in accordance with our vision, purpose and values.
- 2.2 We are committed to managing risk on a systematic, organisation-wide basis consistent with AS/NZS ISO 31000:2009 Risk management – Principles and guidelines, AS/NZS 4801:2001 Occupational Health & Safety Management Systems and AS/NZS ISO 14001:2015 Environmental Management Standards. This methodology will create sustainable value by both minimising risks to the achievement of our objectives and by identifying potential opportunities, by ensuring the health and safety of our workers and by protecting our environment.
- 2.3 Our IRMS will also align with Council's Business Excellence Framework by facilitating continuous improvement.

3. SCOPE:

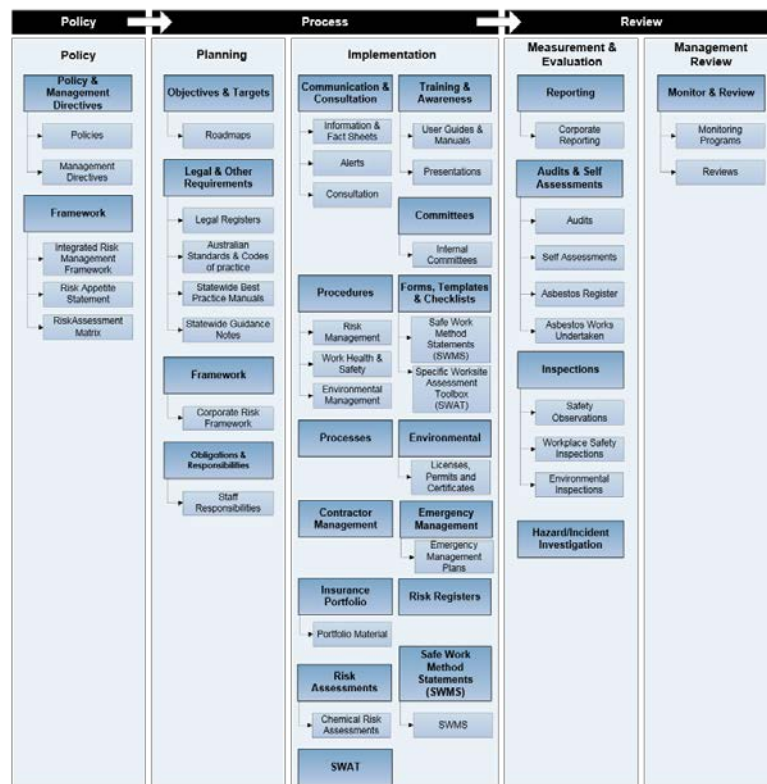
- 3.1 Our IRMS will comprehensively integrate all risks, including safety, environmental risks and business risks (financial, property, security, commercial, etc), into our decision making, business planning and reporting at all levels. A consistent, holistic approach to risk management strengthens our ability to deliver more efficient and effective services to our community.
- 3.2 The key steps for implementing an IRMS across the organisation include:
 - 3.2.1 Centralising all corporate risk, work health and safety and environmental management documents on the IRMS on Council's intranet.
 - 3.2.2 Progressively combining common documents to provide a simpler, more focused management system, a reduction in duplication, more effective audit management and a greater demonstration of due diligence.
 - 3.2.3 Implementing a communication strategy for the IRMS.

4. DEFINITIONS:

- Risk Effect of uncertainty on objectives (Note: an effect is a deviation from the expected and can be positive and/or negative).
- Risk management Coordinated activities to direct and control an organisation with regard to risk.
- Risk management framework Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.

5. POLICY STATEMENT:

5.1 Port Stephens Council is committed to developing an effective Corporate IRMS that clearly considers all major risks and opportunities integrated into one common framework. Our IRMS will focus on continually improving comprehensive risk management processes. Overview of the IRMS is shown below.



- 5.2 Council is required to identify, evaluate, mitigate, monitor and report business continuity risks to ensure it's able to continue operations in the event of a material business interruption and to continue to provide critical services to the community and stakeholders.
- 5.3 Council is committed to empowering employees to assume accountability and responsibility for risk management in the workplace by creating and promoting a culture of participation and by providing a robust process to monitor and review the effectiveness of risk management across Council.

6. POLICY RESPONSIBILITIES:

6.1 Corporate Risk Management will be led by the Senior Leadership Team, ie the General Manager, Group Managers and Section Managers with support from the Corporate Risk Management Team. The Senior Leadership Team is committed to guiding effective risk management by the application of the principles detailed in AS/NZS ISO 31000:2009 Risk management – Principles and guidelines.

6.2 Every staff member is responsible to implement and embed risk management by:

- identifying, managing and monitoring risks and opportunities in their areas of accountability;
- communicating these areas of risk to their manager or supervisor;
- taking measures to ensure their own safety, that of other employees, customers and other workers; and by
- acting to reduce environmental harm by preventing pollution, degradation of ecosystems and minimising resource use.

7. RELATED DOCUMENTS:

- 1) Work Health and Safety Statement of Commitment
- 2) Corporate Risk Integrated Management Framework
- 3) Environment Policy
- 4) Corporate Business Continuity Plan and Section Recovery Plans
- 5) ICT Disaster Recovery Plan
- 6) Records Management Disaster Recovery Plan

CONTROLLED DOCUMENT INFORMATION:

This is a controlled document. Hardcopies of this document may not be the latest version. Before using this document, check it is the latest version; refer to Council's website www.portstephens.nsw.gov.au			
EDRMS container No	PSC2006-6848	EDRMS record No	18/440
Audience	Councillors, staff and community		
Process owner	Organisation Development Manager		
Author	Risk Management Coordinator		
Review timeframe	Two years	Next review date	22/05/2020
Adoption date	10/06/2014		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	10/06/2014	Risk Management Coordinator	Original policy.	135
2.0	26/04/2016	Risk Management Coordinator	Updated into incorporate new Brand Identity Style Guide v1.0; amendments to risk appetite statement table; inclusion of opportunity; updates to environmental performance references; inclusion of key points of Critical Incident & Business Continuity Management Directive.	098

3.0	22/05/2018	Risk Management Coordinator	<p>Reviewed the policy, included numbering to each paragraph, updated the version control and file number.</p> <p>1.2 – inserted IRMS.</p> <p>1.4, 2.3, 3.1, 3.2, 3.2.1, 3.2.3 & 5.1 – updated IRMS wording.</p> <p>4 – inserted risk management framework definition</p> <p>5 – deleted point 2), including 'Willingness to Accept risk table'.</p> <p>5 – inserted new risk table.</p> <p>6 – deleted point 2) and inserted 6.2.</p> <p>7 – deleted items 1 to 14 and inserted items 1 to 6.</p> <p>Adopted by Council.</p>	134
-----	------------	-----------------------------	---	-----