

# Shire of Wiluna Policy Manual

## RISK MANAGEMENT POLICY

### Policy 2.32

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#### OBJECTIVE

To encourage an integrated, effective and organisation wide approach to risk management within the Shire of Wiluna, facilitating value creation and protection.

#### POLICY STATEMENT

Council is committed to the use of risk management in the course of achieving its strategic objectives and delivery of services to the community. Management of risk is considered the responsibility of all elected members, employees and contractors, and is to be integrated throughout the Shire.

A *Risk Management Strategy* is to be maintained and implemented utilising the Principles, Framework and Process as defined within *AS/NZS ISO 31000:2018 Risk management - Guidelines*.

#### RISK TOLERANCE AND APPETITE:

Risk tolerance or risk appetite refers to the amount and type of risk that the Shire is willing to take in order to meet its strategic objectives. As a public body, there is an expectation the Shire will maintain an inherent low appetite for risk and as a consequence adopt policies and maintain systems and procedures to create value and protect the Shire, and its stakeholders.

Council's risk tolerance and appetite is articulated with the *Risk Management Strategy* and any change to the level of risk tolerance and appetite within the Strategy can only be made with Council approval.

#### RISK MANAGEMENT COMMITMENT:

Council will maintain a continual commitment to risk management through the appropriate allocation of resources to facilitate application of the principles, framework and process as defined within *AS/NZS ISO 31000:2018*, through the '*Risk Management Strategy*'. The *Risk Management Strategy* will assist the organisation to integrate risk management into decision making and operational activities, across the organisation. This commitment will work towards:

- Aligning the objectives, culture and strategy of the Shire with risk management;
- Addressing and recognising all obligations (including voluntary commitments) of the Shire;
- Communicating the risk appetite of the Shire to guide the establishment of risk criteria, to all employees, contractors and elected members and stakeholders;
- Promoting and conveying the value of risk management across the Shire;
- Encouraging methodical monitoring of risks;
- Ensuring that the *Risk Management Strategy* remains relevant to and considers the context of the organisation.

**This policy is to remain in force until otherwise determined by Council.**

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### Consequences

	Extreme	Major	Moderate	Minor	Insignificant
<b>Visitors</b>	Death; Hospitalisation of 3 or more visitors. Death resulting from exposure/isolation	Permanent injury; Hospitalisation of 1 or 2 visitors; Medical expenses or injury / illness for 3 or more visitors	Medical expenses; or injury / illness for 1 or 2 visitors	Evaluation and treatment with no medical expenses	No treatment required or declined treatment
<b>Complaints</b>	Multiple Complaints made simultaneously to multiple agencies and threatening media attention and litigation	Complaint made simultaneously to multiple agencies	Complaint made direct to the Board or Executive; or Complainants threatening media attention or litigation	Complaint made concerning multiple issues or about multiple areas of the organisation	Direct contact from the complainant to the area concern or the Complaints department
<b>Environmental</b>	Toxic release off-site with detrimental effect; or Fire requiring evacuation	Off-site release with no detrimental effects; or fire that grows larger than an incipient stage	Off-site release contained with outside assistance; or Fire at incipient stage or less	Off-site release contained without outside assistance	Nuisance releases
<b>Financial</b>	Critical financial loss over \$1,000,000	Major financial loss \$100,000 - \$1,000,000	Moderate financial loss \$10,000 - \$100,000	Minor financial loss less than \$10,000	No financial loss
<b>Legal</b>	Compensation sought for more than \$1,000,000	Compensation sought for less than \$1,000,000	Compensation sought for less than \$100,000	Compensation sought for less than \$20,000	Compensation sought for less than \$5,000
<b>Media</b>	Published in early general news, aired on radio, aired on television news or current affairs for more than three days	Published in early general news, aired on radio, aired on television news or current affairs for up to three days	Published or aired in more than one news medium for one day.	Brief coverage in either print or electronic media for one day. Media enquiries without actual publication or airing of story.	Threatened media attention.
<b>Reputation</b>	Irreparable damage to corporate reputation	Sustained, but repairable, damage to corporate reputation; Irreparable damage to personal reputation of Senior Staff	Short term damage to corporate reputation; Sustained damage to personal reputation of Staff	Threatened or perceived damage to reputation	No actual damage to reputation
<b>Security</b>	Personal Abduction/death  Property Damage/Loss over XXXXXX	Physical assault/violence – injury sustained Property Damage/Loss over XXXXXX	Physical assault/violence – no injury Property Damage/Loss over \$10,000	Verbal aggression or abuse in person  Property Damage/Loss under \$10,000	Verbal aggression or abuse over the phone Property Damage/Loss under \$1,000
<b>Services</b>	Complete loss of management function	Major loss of management function including cancellation of events or bookings	Disruption to users due to management problems	Reduced efficiency; or Disruption to management function	No loss of management function
<b>Staff</b>	Death; or Hospitalisation of 3 or more staff/volunteers	Permanent injury; or Hospitalisation of 1 or 2 staff/volunteers; or Medical expenses, lost time or restricted duties or injury / illness for 3 or more staff/volunteers	Medical expenses; or Lost time or restricted duties or injury / illness for 1 or 2 staff/volunteers	First aid treatment only with no medical expenses, lost time or restricted duties	No injury or review required

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### Likelihood

	AKA	Definition	Timeframe
<b>Frequent</b>	Almost Certain	is expected to recur either immediately or in a short period of time	once per month
<b>Probably</b>	Likely	will probably occur in most circumstances	once per quarter
<b>Occasional</b>	Possible	probably will recur or could occur at some time	once per year
<b>Uncommon</b>	Unlikely	possibly will recur or could occur at some time	once every 5 years
<b>Remote</b>	Rare	unlikely to recur or may occur only in exceptional circumstances	less common than once every 5 years

### Risk Rating Matrix

		Consequences				
		Extreme	Major	Moderate	Minor	Insignificant
Likelihood	Frequent	Extreme	Extreme	High	Moderate	Moderate
	Probably	Extreme	Extreme	High	Moderate	Moderate
	Occasional	Extreme	High	High	Moderate	Low
	Uncommon	Extreme	High	Moderate	Low	Low
	Remote	High	Moderate	Moderate	Low	Low

*Modified from AS 4360:2004*

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### Action Plan

	Extreme	High	Moderate	Low
<b>Priority</b>	Immediate Action	Senior Management attention is needed	Management Responsibilities needs to be specified	Is manageable by routine procedures at a local level
<b>Time frame to Commence Action</b>	within 1 week	within 1 month	within 3 months	within 6 months
<b>Ongoing Management Responsibility</b>	ORS	BSA	Management Team	Volunteers

Document Control	
Responsible Directorate	Office of the CEO
Relevant Section	Administration/Finance
Legislative Requirement	
Council Meeting Held & Adopted, Resolution #	19 Dec 2018 144/18
Amendments, Date & Resolution #	
Review Dates & Resolution #	
Next Review Date	