



Maroondah City Council
Strategic Risk Management Plan 2011–2014

Reviewed November 2011

1. Introduction

The Maroondah City Council Strategic Risk Management Plan is endorsed by the Corporate Management Team (CMT) and sets the risk management direction for all service areas operating within Council. The strategy covers the period 2011–2014, providing opportunities to improve and sustain Council's performance, whilst identifying any disadvantageous effects. The Annual Action Plan shall be reviewed annually.

By fostering a vibrant risk management culture that encourages all employees to systematically apply the principles and procedures outlined in this strategy, Council seeks to effectively and efficiently use its resources to ensure that all Council events, activities, projects and administration are undertaken with minimal risk to employees and the general public. Council recognises risk management as an integral part of good management practice and decision-making.

Risk Management Policy

Council recognises that risk management is essential for sound strategic and financial planning and is committed to providing adequate resources to ensure an effective risk management program.

To achieve this, risk management has a consistent approach across the Council. Standards and systems are devised, implemented, and continually reviewed for improvement. This involves risk identification and evaluation linked to practical and cost-effective risk control measures.

The Policy is applicable to all Council employees, operations, functions and programs. This includes any activities undertaken on behalf of the Council by contractors or representatives of Council.

Strategic Risk Management Plan

The purpose of the Strategy is to align effective risk management practices for all classes of risk across Council within a common framework. It is intended to support the Policy and improve existing risk management practices. It is not designed solely to eliminate risk, but rather to manage the risks involved in all Council activities, to maximise opportunities and minimise risk.

The Strategy defines the responsibilities of management, employees and others (including contractors and councillors) in the risk management process. It also specifies reporting requirements.

The use of risk management in the development of business and project plans assists in identifying risk exposures and implementing activities to manage the risks, thus setting directions that enhance long-term performance of Council.

Risk management can be extremely cost-effective when Council assesses its risks properly, determines the best methods to treat risks and limits potential expenditures arising from unforeseen events.

Statement of Commitment

Maroondah City Council is committed to managing strategic and operational risks by logically and systematically identifying, analysing, evaluating, treating, monitoring and communicating all risks that directly or indirectly impact on the Council's ability to achieve the vision and strategic objectives outlined in the Council Plan.

This strategy demonstrates the Council's commitment, by detailing the risk management framework to be employed by all employees, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in the Risk Management process. The Council believes that good risk management is essential for the successful implementation of the Council Plan, as it directly supports the achievement of our community theme for Governance and Corporate support and indirectly supports the achievement of Council's other strategic objectives.

The primary objectives of risk management in the Council are to:

- Enhance the development and delivery of Council programs, prioritising public safety
- Safeguard Council's assets – people, financial, property and reputation
- Ensure resources and operational capabilities are identified and deployed responsibly and effectively
- Support the Council's key values and ethics
- Undertake consultation with all Stakeholders on key issues
- Encourage a proactive approach to problem solving
- Demonstrate transparent and responsible risk management processes, which align with best practice

2. Purpose

The purpose of Strategic Risk Management Plan is to align effective risk management practices across Council within a common framework.

The Strategic Risk Management Plan will be implemented by all Council service areas, functions and activities, whether directly controlled by Council or delivered through third party arrangements. All employees, contractors and volunteers engaged in the conduct of Council business are to apply consistent, proactive and systematic risk management practices in the deployment of Council resources and the delivery of Council services. Successful risk management relies on input from all stakeholders and ownership of identified risks by responsible employees. To manage risks in accordance with best practices, Council will observe the principles contained in AS/NZS ISO 31000: 2009, Risk Management – Principles and guidelines.

3. Key Strategies

Strategies to improve the management of risk with Maroondah City Council shall be driven within the framework of AS/NZS ISO 31000: 2009, Risk Management – Principles and guidelines.

Strategy	Notes
Maroondah City Council Risk Management Policy & Strategic Plan endorsed by CEO and CMT.	Council will identify, evaluate and prioritise risks with the aim of reducing, mitigating, transferring or eliminating threats and exploiting opportunities. The policy and strategy will set the benchmark for risk management performance within the Council.
Communication of Policy and Strategy to all employees and key stakeholders.	Via CEO, Directors,: Team Leader Risk Management and Risk Management Insurance Officer, using a variety of communication methods.
The Risk Management CFWG will meet monthly, with broad representation of senior management.	The Committee is to be chaired by The Director Corporate Services. The Committee oversees the implementation and monitoring of the Strategic Risk Management Plan, reporting directly to CEO and CMT. The Committee members will effectively be “risk champions”, advocating the role of risk management within their own areas of responsibility.
Risk Management Tools, Processes & Standards to be developed to assist Directorate to effectively implement the strategic plan.	The Team Leader Risk Management shall be responsible for the evaluation, design, development and implementation of risk management tools, processes and standards.
Directorate Risk Management Plans shall be determined and implemented by each service area. Plans and effectiveness of processes will be reviewed on an annual basis, as part of the Service Delivery Planning Process.	Plans will indicate priorities determined by each Directorate and assist in co-ordinating the organisation direction. Outputs from these plans shall be incorporated into the performance management process and be reported on to the CMT. Risk management plans shall be included in the business planning cycle.
The Risk Register Database is to be annually reviewed and updated by the Team Leader Risk Management. The Register It will comprise both strategic risks (Corporate) and operational risks (Directorate)	To enable Directorate to effectively and efficiently capture and analyse risk data on an ongoing basis. The database will also serve to correlate cross-service area information to determine and monitor the organisation’s risk profile.

Strategy	Notes
<p>Training and provision of information will be delivered to all employees. Training will be customised to meet the needs of the stakeholder (internal and external) and prioritised according to resource availability</p>	<p>The Team Leader Risk Management and Insurance Officer will design and delivery training workshops, together with the provision of extensive information communicated through various means. Ie. intranet, RiskEnews, information updates, team meetings etc.</p> <p>The workshops are designed, as an introduction to the Maroondah City Council Strategic Risk Management Plan, will introduce risk management planning tools and processes, and assist the development of Directorate Risk Management Plans.</p>
<p>Internal Assessment & Audit Programs will be undertaken annually as part of the ongoing monitoring and review of the process effectiveness and service area performance.</p>	<p>Self-Assessments/Audits will be performed by each service area and supported/verified by the Team Leader Risk Management as required. The Risk Management Unit will audit Directorate Risk Management performance on an annual basis.</p>
<p>Performance Targets & Reporting will be an ongoing requirement of the Risk Management process to actively monitor and analyse performance.</p>	<p>All service areas shall be required to actively monitor and analyse their risk management performance in the service delivery plan cycle. The Director Corporate Services shall monitor the implementation of the strategy and compliance to risk management standards and report findings to the CMT and service areas.</p>

3. Goals

The organisation's risk management goals for the period 2011–2014 are to:

- Continue to implement and consolidate a corporate risk management framework in accordance with AS/NZS ISO 31000: 2009, Risk Management management – Principles and guidelines
- Monitor, review and update the Risk Register that includes both strategic and operational risks
- Effectively manage medium, high and extreme risks to the Council
- Incorporate actions arising from the Risk Register into planning cycles
- Develop tools & processes and integrate into the risk management framework
- Identify and implement training programs across Council on a priority basis to facilitate a sound understanding of risk management
- The Risk Management Cross Functional Working Group (Risk Management CFWG) chaired by the Director of Corporate Services, will continue to facilitate and monitor the implementation of this Strategic Risk Management Plan.

Progress in achievement of these goals will be monitored via performance reporting, and verified by self-assessments and audits conducted on an annual basis.

Action Plan 2011–2012

- Define & formally adopt Council's risk appetite and deliver awareness program to Council Leadership Forum.
- Review & undertake risk management awareness training to new & existing staff: HR101 training, Fraud & Corruption Control policy (in partnership with Finance), Incident Reporting, HACCC Volunteer risk management, Section 86 Committee of Management
- Train & Mentor nominated Team Leaders to undertake comprehensive risk assessments for all service area activities
- Annual Review Risk Register
- Develop, analyse, monitor and report on high risk treatment plans
- Risk Management Reports – produce & present quarterly incident & Risk Register reports to CMT, Management Group, Risk Management CFWG & Internal Audit Committee (annual)
- Investigate and source dedicated risk management software for improved application, monitoring, reporting across Council & write recommendation report.
- Conduct monthly Risk Management Cross Functional Working Group meetings with a set agenda and recording of minutes circulated to Corporate Management Team and posted on Smartnet
- Raise awareness, provide advice and seek opportunities to integrate risk management into Council strategies and operational activities
- Implement Fraud & Corruption Control awareness program across Council in partnership with Finance
- Promote and advance the use and benefit of the post event analysis template with relevant council officers.
- Promote and advance the use of the new project risk assessment template, customising where required, to maximise the benefit of this process.

4. Roles, Responsibilities & Performance Reporting

All employees and service providers are responsible for effective risk management practices, and ensuring that supervisors are informed of risks associated with Council operations. Each manager is accountable for implementing this policy in his or her area of responsibility.

Specifically, this means the responsibility for the management of risk can be described as follows:

POSITION	RESPONSIBILITY
Chief Executive Officer	<ul style="list-style-type: none"> manages risk across the Council.
CMT	<ul style="list-style-type: none"> monitors the implementation of this Plan.
Directors	<ul style="list-style-type: none"> implement this Plan identify, assess and manage all their risks develop and implement risk management plans for their risks allocate appropriate resources to achieve plans monitor, review and report risk management performance report high or extreme risks promptly to CMT write action plans for high or extreme risks
Director Corporate Services	<ul style="list-style-type: none"> establishes and facilitates a risk management process throughout the Council. develops the Risk Management Policy and Strategic Plan monitors the implementation of the Strategic Plan collates and analyses risk data and recommendations to CMT. chairs the Risk Management CFWG.
Service Area Managers	<ul style="list-style-type: none"> manage (assess, treat, monitor & review) risks in their areas update risk registers report high and extreme risks as required
Manager Resident Services	<ul style="list-style-type: none"> leads and drives a positive risk culture actively communicates and promotes risk management policy at management level
Team Leader Risk Management	<ul style="list-style-type: none"> designs the risk framework for the organisation to follow provides expert advice to directors and managers as needed implements the strategic risk management plan
Risk Management CFWG members	<ul style="list-style-type: none"> attend meetings champion risk management in their area actively communicate and promote risk management in their area
Employees & Service providers	<ul style="list-style-type: none"> adhere to the Risk Management Policy report risks and hazards report loss or damage to council property

Reporting Framework

Report	Frequency	At ...	Report to	Then report to	Responsibility	Format
Strategic risk management plan	Six-monthly	Every month	CFWG	Manager	Team Leader	Monitor with manager at routine meeting
Performance report	Quarterly	September December March June	CMT		Team Leader	Statistics (KPIs) reported to Planning and Performance Advisor
Incident report	Quarterly	September December March June	CMT	CFWG MG All employees Audit committee (annual report)	Manager Resident Services Team Leader	Formal report
Risk Register Action Plan (extreme risks)	Quarterly	September December March June	Risk Management	CMT	Service area manager	Formal report
Risk Register Action Plan (high risks)	Six-monthly	September March	Risk Management	CMT CFWG	Service area manager	Formal report
Risk register report	Annually	June	CMT	CFWG MG All employees Audit committee	Manager Team Leader	Formal report
(Re) insurance report	Annually	June	CMT	CFWG	Manager Team Leader	Formal report
Annual report	Annually	June	Community	Community	Manager Team Leader	Narrative about key issues, e.g. risk management, risk register, incidents and claims, insurance
(CMP) audit cycle	Quarterly in the 12 months leading to the audit	September December March June	Risk Management	CMT	Manager Team Leader	Formal report from CMP to Council
(CMP) audit	Every 2 years	November	CMT	CFWG MG All employees Audit committee	Manager Team Leader	External formal report from CMP to Risk Management

