

# Risk Management Strategic Plan 2021-2024

Date initially adopted: 2015

Responsible Service Area: Finance & Governance

## INTRODUCTION

The Maroondah City Council Risk Management Strategic Plan was endorsed by the Corporate Management Team (CMT) initially in 2015 and sets the risk management direction for all service areas operating within Council. This strategy document covers the period 2021-2024, providing opportunities to improve and sustain Council's performance, whilst identifying any disadvantageous effects. The Risk Management Strategic Action Plan shall be reviewed annually.

By fostering a vibrant risk management culture that requires 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 the general public and employees. Council recognises risk management as an integral part of good management practice and decision-making.

This policy applies to all employees, councillors, contractors and volunteers in relation to Council's activities and outlines the expectations and processes for managing risk

## RISK MANAGEMENT POLICY STATEMENT

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.

## RISK MANAGEMENT STRATEGIC 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 Risk Management 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, organisational, operational and project 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 plan demonstrates Council's commitment, by detailing the risk management framework to be adopted 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. 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; and
- Demonstrate transparent and responsible risk management processes, which align with best practice.

## PURPOSE

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

The Risk Management Strategic 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 the risk management standard AS/NZS ISO 31000, Risk Management – Principles and guidelines.

## KEY STRATEGIES

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

Strategy	Notes
Risk Management Strategy: a) Risk Management Policy b) Risk Management Strategic Plan c)	The Risk Management Strategy suite of documents relate to setting the strategy, direction and a benchmark for Council to achieve through the application of risk management and the culture of risk within Council. This includes how risk will be communicated to employees of Council.
Risk Management System: a) Risk Management Framework b) Risk Management Process c)	The Risk Management System suite of documents sets and provides the systems, processes and tools in identifying, managing and documenting risks to meet the desired risk management culture. The system includes risks from strategic, operational and projects across Council.
Risk Management Training Program: a) Risk at Council b) User Guides	The Risk Management Training Program provides the support and guidance to new employees (at manager, coordinator and team leader level) in maximising the components of the risk management system. Customised delivery should relate to the various users of the risk management systems needs.
Risk Register a) Directorates b) Service Areas c) Teams	Risk Registers will be maintained as a central repository of all identified risks within Council. It will assist risk and control owners in managing their risks and Management to oversee the application of risk across Council activities.
Risk Reporting a) Risk and Control Owners b) Directors, Managers and Coordinators/Team Leaders c) Risk Management Advisory Group d) Corporate Management Team e) Audit and Risk Committee	Risk Reporting includes proactive quarterly reporting to allow key stakeholders to monitor and manage their potential exposures and improve decision making, in particular in relation to which risks or controls require attention.
Assurance and Self Assessment a) Risk and Control Owners b) Directors, Managers and Coordinators and Team Leaders c) Risk Management Advisory Group d) Corporate Management Team e) Audit and Risk Advisory Committee	By undertaking self assessments and seeking assurance Council is able to more effectively provide resources to high risk items and the controls in place mitigating potential exposure to Council.

## GOALS

The organisation's risk management goals for the period 2021-2024 are to:

- Continue to consolidate a corporate risk management framework in accordance with AS/NZS ISO 31000, Risk Management – Principles and guidelines;
- Monitor, review and update the Risk Register that includes strategic, operational and project risks;
- Effectively manage medium, high and extreme risks to the Council;
- Incorporate actions arising from the Risk Register into planning cycles;
- Develop tools and 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; and
- The Risk Management Advisory Group (RMAG), will continue to facilitate and monitor the implementation of this Risk Management Strategic 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.

## ROLES, RESPONSIBILITIES AND 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
<b>Chief Executive Officer (CEO)</b>	<ul style="list-style-type: none"> <li>responsible for the management of risk across the Council</li> </ul>
<b>Corporate Management Team (CMT)</b>	<ul style="list-style-type: none"> <li>monitors the implementation of this Plan</li> <li>ensure the Audit and Risk Advisory Committee receives reports</li> </ul>
<b>Directors</b>	<ul style="list-style-type: none"> <li>implement this Plan</li> <li>identify, assess and manage all their risks</li> <li>develop and implement risk management plans for their risks</li> <li>allocate appropriate resources to achieve plans</li> <li>monitor, review and report risk management performance</li> <li>report high or extreme risks promptly to CMT</li> <li>develop action plans for significant or extreme risks</li> </ul>
<b>Director Corporate Services</b>	<ul style="list-style-type: none"> <li>establishes and facilitates a risk management process throughout the Council.</li> <li>develops the Risk Management Policy and Strategic Plan</li> <li>monitors the implementation of the Strategic Plan</li> <li>collates and analyses risk data and recommendations to CMT</li> <li>chairs the Risk Management Advisory Group (RMAG)</li> </ul>
<b>Service Area Managers</b>	<ul style="list-style-type: none"> <li>manage (assess, treat, monitor and review) risks in their areas</li> <li>update risk registers</li> <li>report significant and high risks as required</li> <li>champion risk management in their area</li> <li>actively monitor existing risks and controls and monitor their respective business environment for new and emerging risk issues.</li> </ul>
<b>Coordinator Risk Integrity and Information Management</b>	<ul style="list-style-type: none"> <li>leads and drives a positive risk culture</li> <li>actively communicates and promotes risk management across Council operations</li> <li>designs the risk framework for the organisation to follow</li> <li>provides expert advice to Directors and Service Area Managers</li> <li>implements the risk management strategic plan</li> <li>coordinates the Risk Management Advisory Group</li> </ul>
<b>Risk Management Advisory Group members</b>	<ul style="list-style-type: none"> <li>attend meetings</li> <li>champion risk management in their area</li> <li>actively communicate and promote risk management in their area</li> </ul>
<b>Employees and Service providers</b>	<ul style="list-style-type: none"> <li>adhere to the Risk Management Policy</li> <li>report risks, incidents, near misses and hazards as per the Incident Reporting Procedure(s).</li> </ul>
<b>Risk Management Team</b>	<ul style="list-style-type: none"> <li>drives a positive risk culture</li> <li>actively communicates and promotes risk management across Council operations</li> </ul>

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## REPORTING FRAMEWORK

Report	Frequency	At ...	Report to	Then report to	Responsibility	Format
<b>Risk Management Strategic Action Plan</b>	Annual	May	RMAG	Manager	Coordinator Risk Integrity and Information Management	Monitor with manager at routine meeting
<b>Risk and Insurance Report</b>	Quarterly	September December March June	CMT		Coordinator Risk Integrity and Information Management	Statistics (KPIs) reported to Planning and Performance Advisor
<b>Annual report</b>	Annually	May-June	Community	Community	Senior Risk Management Advisor	Narrative about key issues, e.g. risk management, risk register, incidents and claims, insurance

## STRATEGY STAKEHOLDERS

The following table of key stakeholders have an interest in Maroondah City Council Risk Management Strategic Plan 2021-2024. The identified people and organisations may affect, be affected by, or perceive themselves to be affected by Council's decisions and risks. Communication and consultation in regard to implementation of this strategy will involve the relevant stakeholders accordingly.

STAKEHOLDERS: primary customers, clients, service users

Area of Interest	Claims Manager (Proclaim)	Committees of Management	Contractors	Corporate Management Team (CMT)	Council	Customers (e.g. facility occupiers, youth programs, etc.)	Employees	Insurers	Risk Management Advisory Group	Service Area Managers	Sporting groups	Volunteers
Risk Management Strategic Plan Development				✓			✓		✓	✓		
Risk Management Strategic Action Plan		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Risk Management Training & Information		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Incident Reporting		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Insurance Coverage		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Insurances Claim Management	✓			✓					✓	✓		
Business Continuity Plan		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Audits		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓