

|| POLICY RISK MANAGEMENT

ASPIRATION	Leadership
RESPONSIBLE DIRECTORATE	Corporate Services
RESPONSIBLE BUSINESS UNIT	Business Improvement
RELEVANT LEGISLATION	<i>Local Government Act 1995</i>

1. Objective

To enable a risk aware culture and ensure that:

- Guidance is provided to enable risk and opportunity decisions that support the Council's Vision and the Aspirations, Outcomes and Objectives of the Strategic Community Plan.
- The City's risk context and appetite are identified, communicated and integrated into decision making processes;
- The City is suitably prepared for any reasonably foreseeable risk event.

2. Policy

The City commits to managing risk through an integrated, customised, structured and comprehensive approach characterised by:

1. Implementing a Risk Management Framework ("the Framework") aligned to ISO 31000:2018 – Risk Management and the requirements of the Local Government (Audit) Regulations 1996 that manages the effect of uncertainty on the City's objectives.
2. Adopting a Business Continuity Plan ("the Plan") aligned to ISO 22301:2019 – Business Continuity that enhances the City's resilience against reasonably foreseeable disruptions, ensuring continuity of operations and services
3. Allocating sufficient resources and oversight for the management of the Framework, and the Plan to ensure the intent of this policy is met
4. Promoting widespread awareness of this Policy, the Framework and the Plan;
5. Regularly monitoring and reporting against this Policy, the Framework, the Plan, and identified risks, their controls and control effectiveness
6. Committing to continual improvement of risk management through periodic reviews. The policy will be reviewed every three years or:
 - a. If there is significant change in the internal or external risk context of the organisation; or
 - b. A material risk event occurs.

RISK APPETITE

The City generally maintains a conservative risk appetite, acknowledging that higher risks may be acceptable in certain circumstances as indicated in Attachment A.

ROLES AND RESPONSIBILITIES

Role	Responsibilities
Council	<p>Allocate the City's resources to meet the intent of this Policy.</p> <p>Overall accountability for the City's objectives and the governance of risk management.</p>
CEO and Executive Leadership Team	<p>CEO Review the appropriateness and effectiveness of the City's systems and procedures in relation to Risk Management</p> <p>Executive Leadership Team Operational responsibility and accountability for risk management across the City.</p> <p>Provides leadership and support for effective risk management ensuring an appropriate Policy, Framework and Plan are in place, communicated, implemented and maintained.</p> <p>Promotes positive objective-centric risk management, determining and articulating the level of risk the City is willing to accept or tolerate.</p>
Operational Management Team	<p>In conjunction with the CEO and Executive Leadership Team, delivers effective management of risk and the promotion of risk management across the City.</p> <p>Ensures Business Area Plans and performance monitoring appropriately consider risk to support the achievement of objectives.</p>
Audit and Risk Committee	<p>Provide assurance over the City's Risk Management Policy, the Framework, the Plan, and identified risks, their controls and control effectiveness.</p> <p>Assess specific risks, their controls and control effectiveness to ensure risk is being managed within the organisation's risk appetite and tolerances.</p> <p>Assure the Council that appropriate testing of controls and the Plan have been conducted.</p>
Risk Advisor	<p>Maintains the Policy, the Framework and the Plan and is responsible for the day-to-day activities associated with coordinating, maintaining, and embedding the Framework and the Plan across the City.</p> <p>Supports the organisation, directorates and business areas to embed effective Risk Management practices, fostering objective-centric risk management to maintain an appropriate internal control environment.</p> <p>Supporting the Audit and Risk Committee and other committees as required.</p> <p>Co-ordinating appropriate testing of risk controls and the Plan.</p>

3. Influencing Strategies or Plans

The City's Integrated Planning and Reporting Framework processes contribute to the development of the Strategic Community Plan which establishes the Council's Vision, and the City's Aspirations, Outcomes and Objectives.

The City's objectives guide the development of the Corporate Business Plan and associated service delivery of the organisation, including Risk Management.

4. Applicable Legislation

Local Government Act 1995

Local Government (Audit) Regulations 1996

VERSION CONTROL			
RELEVANT DELEGATIONS	Nil		
INITIAL COUNCIL ADOPTION	12/08/2019	REFERENCE	CA/7/19
LAST REVIEWED	23/06/2025	REFERENCE	CA3/6/25
NEXT REVIEW DUE	June 2027		



CITY OF ARMADALE

RISK APPETITE

Risk Appetite Levels

Conservative

Demonstrate conservative, cautious and safe risk-taking.

Mitigate exposure to risks even when potential benefits and rewards are higher.

Stronger control environment required. Residual risk expected to be managed to low levels.

Balanced

Seek to balance and equalise risk and reward.

A balanced control environment is required to compromise between exploring opportunity whilst minimising risk.

Risks are expected to be managed to moderate levels balancing against potential rewards.

Opportunistic

Embrace opportunities and innovation.

Be willing to accept that there will be a greater degree of volatility and uncertainty in the pursuit of higher rewards. Controls are in place to manage risk but they enable the ability to achieve more rewards.

Risks are expected to be managed to moderate-high levels if potential rewards are greater.

Risk Appetite Statements

Workplace Health & Safety

Conservative

We do not take uncontrolled risks that will compromise the health, safety and wellbeing of our staff, volunteers and contractors. We prioritise a safe but high-performance culture. The City will embrace opportunities that improve the organisation's safety culture.

Emergency Management

Balanced

The City invests in capabilities to prevent, prepare for, respond to, and recover from hazard risks and disaster events. Some risk will be accepted in implementing initiatives that improve Emergency Management outcomes.

Reputation

Balanced

The City prioritises the long-term trust of its Community and key stakeholders. Sound decision making processes enable the City to address stakeholder criticism. Some risk is accepted in initiatives that improve the City's reputation.

Legal & Compliance

Conservative

We do not take risks that could result in illegal activities or result in material regulatory non-compliance. As a regulator we will work to find an appropriate balance between enforcement activities and outcomes for our community.

Financial Health

Balanced

We prioritise value for the City's ratepayers and local businesses implementing strong financial controls to ensure responsible spending establishes in long-term financial sustainability. We have no appetite for fraud or financial misconduct.

Services

Opportunistic

The City will deliver sustainable and inclusive services aligned with our SCP, legislative and contractual requirements, and our long-term financial capability. We have no appetite for services that pose unnecessary harm.

Infrastructure Assets

Balanced

The City is currently taking a balanced approach to infrastructure assets whilst ensuring long-term viability. We design, operate, and maintain these assets to defined standards and maturity levels. We have no appetite for infrastructure asset failures or unmanageable safety risks.

Technology & Data

Balanced

The City invests in technologies that support the actions defined in our CBP whilst protecting against threats to our Data. We prioritise the integrity of our information and have no appetite for unsafe cyber practices.

Natural Environment

Conservative

The City is committed to the protection and restoration of its natural environment and green assets to minimise adverse environmental impacts. We prioritise sustainable growth ensuring responsible environmental stewardship that balances the interests of all stakeholders.

Heritage and Culture

Conservative

The City is committed to preserving and celebrating the rich heritage and culture of the area for current and future stakeholders. Some risk will be accepted in the promotion of our heritage and culture. We prioritise change that respects our heritage and culture and considers current and future stakeholder interests.

Partnerships

Opportunistic

The City takes a measured approach to working with third parties. Ensuring appropriate due diligence to optimise outcomes whilst accepting some risks, apart from safety.

Investment & Economic Development

Opportunistic

The City currently has a higher appetite to pursue investment and economic development opportunities that stimulate the local economy and achievement of the objectives defined in the SCP. The City will balance stakeholders short, medium, and long-term objectives.

Governance

Conservative

The City will implement appropriate governance and management processes to assure stakeholders that the City is managed. Priority will be to achieving the actions of the CBP. We have no appetite for unethical decisions or behaviour.