



DOCUMENT TYPE	Policy
TITLE	RISK AND OPPORTUNITY MANAGEMENT
NUMBER:	POL-1011

PURPOSE

The purpose of this policy is to establish a structured and integrated approach to risk and opportunity management across the Shire of Wyndham East Kimberley. It defines Council's commitment to identifying, assessing, controlling and reviewing risks in a manner that protects the community, workforce, assets and reputation of the organisation while supporting the achievement of strategic and operational objectives.

This policy sets the governance expectations for how risk and opportunity are to be considered in planning, decision making and service and project delivery. It ensures that risk management responsibilities are clearly defined, legislative obligations are met, and a culture of accountability, transparency and continuous improvement is maintained across all levels of the organisation.

DEFINITIONS

Risk The effect of uncertainty on objectives. Risk may result in positive or negative outcomes and may impact strategic, corporate or operational objectives.

Opportunity A situation or event that, if realised, may enhance the achievement of objectives, improve service delivery or create value for the organisation or community.

Risk Management The coordinated activities to direct and control the organisation regarding risk. This includes establishing the context, identifying hazards and risks, analysing and evaluating risk, implementing controls, and monitoring and reviewing effectiveness.

Strategic Risk A risk that may impact achievement of long-term strategic goals and community outcomes.

Corporate Risk An organisation wide risk relating to governance, financial sustainability, legislative compliance, reputation, ICT, business continuity or other cross functional exposures.

Operational Risk A risk arising from day to day service delivery activities, including work health and safety, public safety, asset management, environmental management and project delivery.

Hazard A source or situation with the potential to cause injury, illness, property damage, environmental harm or other loss.

Control A measure that eliminates risk or reduces its likelihood or consequence. Controls may include elimination, substitution, engineering controls, administrative controls or personal protective equipment.

Risk Appetite The level and type of risk that Council is willing to accept or retain in pursuit of its objectives.

Risk Tolerance The acceptable variation from the Shire’s risk appetite, expressed in measurable thresholds or limits.

Control Owner The person accountable for ensuring a control is implemented, maintained and periodically reviewed for effectiveness.

Risk Register A formal record of identified risks, their causes, consequences, controls, risk ratings, treatment actions and review status.

Integrated Management System The structured set of policies, frameworks, procedures, registers and reporting mechanisms that integrate risk, quality, work health and safety, business continuity and internal controls into a single governance system.

POLICY STATEMENTS

PURPOSE AND COMMITMENT

Council is committed to an integrated and organisational wide approach to risk and opportunity management that supports good governance, protects the community and workforce, and enables the achievement of the Shire’s Strategic Community Plan and Corporate Business Plan.

The Shire will manage risk in accordance with AS ISO 31000:2018 and relevant legislative obligations, including the Local Government Act 1995, the Local Government Audit Regulations 1996 and the Work Health and Safety Act 2020. Risk management will be embedded into strategic planning, service delivery, project management, procurement and operational decision making.

RISK ARCHITECTURE

The Shire recognises three interrelated tiers of risk:

- **Strategic risk**, being risks that may impact achievement of long-term strategic goals, and community outcomes.
- **Corporate risk**, being organisation wide risks including governance, financial sustainability, compliance, ICT, reputation and continuity.
- **Operational risk**, being risks arising from day to day service delivery and project delivery including work health and safety, public safety, asset management and environmental risk.

RISK MANAGEMENT PROCESS

The Shire adopts a structured and consistent risk management process involving hazard identification, risk analysis, risk evaluation, risk treatment, and ongoing monitoring and review.

Risk management must be integrated into the planning, design and delivery of all Shire service and projects delivery.

Operational and WHS risks will be managed in accordance with the hierarchy of control, prioritising elimination, substitution, isolation and engineering controls before administrative controls and personal protective equipment.

Operational and WHS risks will be managed in accordance with the Work Health and Safety Act 2020 and Work Health and Safety Regulations 2022, including the requirement to

eliminate risks so far as is reasonably practicable and to apply the hierarchy of control when minimising risk.

RISK APPETITE AND TOLERANCE

Council will determine, endorse and regularly review a formal risk appetite statement which defines acceptable levels of exposure across key risk categories.

The Shire has zero tolerance for risks that may result in serious injury or fatality, deliberate legislative non-compliance, fraud or significant harm to the community.

RISK REGISTERS AND REPORTING

Strategic and corporate risks will be recorded in the Corporate Risk Register. Operational and WHS risks will be recorded in relevant operational risk registers and incident systems.

High and extreme risks must be escalated to the Executive Management Team and reported to the Audit, Risk and Improvement Committee in accordance with defined reporting cycles.

ROLES AND ACCOUNTABILITY

Managers are responsible for identifying and managing risks within their areas of accountability, ensuring that controls are both implemented and effective. For high and extreme risks, critical controls must be explicitly defined, assigned to a designated control owner, and periodically verified.

Executives are responsible for oversight of strategic and corporate risk exposure and for ensuring adequate resources are allocated to risk treatment.

The Chief Executive Officer is accountable for ensuring the effectiveness of risk management, internal control and legislative compliance systems across the organisation, including compliance with the Work Health and Safety Act 2020 and Work Health and Safety Regulations 2022. The Chief Executive Officer is also responsible for providing periodic reviews of the appropriateness and effectiveness of these systems in accordance with the Local Government Audit Regulations 1996.

CULTURE AND CONTINUOUS IMPROVEMENT

The Shire will promote a culture of risk awareness, open reporting and continuous improvement. Lessons learned from incidents, audits and reviews will inform updates to controls, procedures and strategic planning.

Risk management performance indicators will be monitored and reported to support transparency and accountability.

GOVERNANCE AND ASSURANCE

This policy forms part of the Shire's Integrated Management System and supports compliance with Regulation 17 requirements for periodic review of the effectiveness of risk management, internal control and legislative compliance systems.

APPLICATION

This policy applies to Council, the Chief Executive Officer, the Executive Management Team, managers, supervisors, employees, contractors and any person performing functions or delivering services on behalf of the Shire.

Risk management is to be applied across all strategic planning, service delivery, project management, procurement and operational activities. All significant decisions must consider risk and opportunity impacts prior to approval.

Strategic and corporate risks must be identified, assessed and recorded in the Corporate Risk Register and reviewed in accordance with established reporting cycles to the Executive Management Team and the Audit, Risk and Improvement Committee.

Operational risks, including workplace health and safety (WHS) risks, must be identified and managed at the point of activity using documented procedures, operational risk registers and incident management systems. High and extreme operational risks are to be escalated in accordance with the Shire's escalation and reporting framework. To support this, the Shire maintains a documented Risk Management Framework and Risk Management Plan that outline the methodology, criteria, tools, registers and reporting processes applied to implement this policy. These documents define risk assessment criteria, risk appetite thresholds, escalation pathways and review cycles, ensuring comprehensive management and oversight of operational risks.

DOCUMENT AND VERSION CONTROL

Responsible Directorate	Office of the CEO		
Responsible Officer	Chief Executive Officer		
Statutory References	<i>Work Health and Safety Act 2020 Part 2</i> <i>Work Health and Safety (General) Regulations 2022</i> <i>Local Government (Audit) Regulations 1996</i>		
Related Documents	Australian Standard for Risk Guidelines AS/ISO 31000:2018 PSF-1003 Risk and Opportunity Management Framework		
Amendment History (Adoption and last 3 amendments)			
Version	Date Issued - Resolution Number	Item #	Description of Change
1.0	18/07/2017 - 11719	12.2.3	Council Adoption
2.0	26/02/2019 - 115939	15.1	Review adopted by Council
2.1	01/11/2023 - CEO016	--	Reference Updates as per POL-1014 Policy Management (previously CP-GOV-3108)
3.0	TBA	TBA	Review adopted by Council
Date of Next Review	April 2028		