

RISK MANAGEMENT POLICY

1. Policy Statement

The Gympie Regional Council is focused on minimising its exposure to reputational, regulatory compliance and financial related risks, and ensuring employee and community safety remains paramount at all times. Council is accepting and encouraging of, a degree of risk in the pursuit of key strategic objectives, and/or increased efficiency and effectiveness of the Council's operations.

Council also acknowledges that some risks, or events, are outside the scope or control of Local Governments. Council's response and actions at a local level will be determined and based on the circumstances and resources available at the time.

2. Purpose & Scope

The Gympie Regional Council recognises that risk management is an integral part of good governance and management practice. All levels of staff within the organisation have a role to play in adopting risk management awareness and integrating risk management activities within their business unit environments.

The Risk Management Policy, Enterprise Risk Management & Integrity Framework (ERMI) and Risk Procedures have been aligned to the relevant standards and regulatory requirements.

The Policy applies to the following organisational risk areas:

- Strategic – associated with the high level longer term goals, objectives and strategies
- Operational – associated with business functions / operations
- Compliance – associated with regulatory and compliance risks
- Project – associated with defined and significant Council projects

3. Approach & Implementation

The Risk Management Policy applies to all personnel of Gympie Regional Council which includes contractors and volunteers, who, in the process of planning or conducting work, are required to identify, assess and control a potential risk situation.

The Chief Executive Officer and Executive Team are responsible for the implementation, monitoring and review of the Policy and ERMI Framework that establishes the following:

- Council's Risk appetite
- Establishing and monitoring the Strategic Risk Register
- Risk management principles that guide organisational practices
- Risk management processes
- Roles and responsibilities
- Staff training

In implementing this Policy, the Gympie Regional Council will actively:

- Identify and prioritise strategic, operational, compliance and major project risks and opportunities using the risk management process;
- Ensure risk management becomes part of day to day management and processes;
- Provide staff with the procedures necessary to manage risks;
- Ensure staff are aware of risks and how to identify, assess and control them; and
- Compile and monitor a register of strategic and operational risks in order to achieve continuous improvement in Risk Management

The Risk Management Policy and ERMI will be reviewed by the Executive on an annual basis.

The Three Lines of Defence Model for managing strategic, operational, compliance and project risks has been adopted. Management control is the first line of defence, the various risk control and compliance oversight functions established by management are the second line of defence, and independent assurance is the third.



Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

4. Risk Appetite Framework

Council has established a formal risk appetite framework to guide and assist staff in their actions pertaining to the acceptance and management of risks. The "risk appetite" is the level of risk that the Council is prepared to accept in delivering its key strategic themes and objectives as outlined in the Corporate Plan;

Strategic & Operational – There is a low tolerance for decisions that do not align with Council's long term strategic objectives. There is a moderate tolerance for risks associated with the pursuit of business opportunities or priorities.

Governance – There is a low tolerance for non-compliance with regulatory/ statutory or professional requirements. Council maintains a zero tolerance stance towards fraud, unethical behaviour or discriminatory actions.

Environment – There is a low tolerance for decisions or actions that may adversely impact on the region's natural environment.

Reputational - There is a low tolerance for risks that may have negative implications on how the Council is perceived with external stakeholders or the wider community.

Financial – There is a low tolerance for decisions that have a negative impact on Council's long term financial sustainability i.e. waste of resources or unnecessary commitments created. There is a moderate tolerance for investing in opportunities or innovation that can enhance growth in line with strategic objectives.

Safety – Council is focused on a zero harm objective and has a low tolerance for decisions or actions that may impact on the health, safety or well- being of Council staff or the wider community.

5. References

- Local Government Act 2009
- Local Government Regulation 2012
- AS/NZS ISO 31000-2018 Risk Management Standards
- Local Government Regulation 2012 requirements under sections 164 (1), section 207 (2) and 175 (b).
- Enterprise Risk & Integrity Management Framework