CP.7   Risk Management

Responsible Department	Office of the Chief Executive Officer
Resolution Number	C.5333
Resolution Date	18 June 2025
Next Scheduled Review	2026/27
Related Shire Documents	Risk Management Framework
Related Legislation	*AS/NZS ISO 31000:2018*

OBJECTIVE

The objective of this Policy is to state the Shire of Northam (the 'Shire') intention to identify potential risks before they occur so that opportunities can be realised and impacts can be minimised to ensure the Shire achieves its strategic and corporate objectives efficiently, effectively and within good corporate governance principles.

SCOPE

Every employee, Council Member, volunteer and contractor within the Shire is recognised as having a role in risk management.

POLICY

It is the Shire's Policy to strive to achieve the best practices it can, in the management of all risks that may affect the Shire meeting its objectives.

Risk management functions will be resourced to match the size and scale of the Shire's operations and will form part of the Strategic, Operational, and Project responsibilities and be incorporated within the Shire's Risk Management Framework.

This policy applies to Council, Executive Management and all employees and contractors involved in any Shire operations.

The following points provide detail on the objective specifics:
1. Optimises the achievement of the Shire's values, strategies, goals and objectives.
2. Aligns with and assists the implementation of Shire policies.
3. Provides transparent and formal oversight of the risk and control environment enabling effective decision-making.
4. Reflects risk versus return considerations within the Shire's risk appetite.
5. Embeds appropriate and effective controls to mitigate risk.

6. Achieves effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
7. Enhances organisational resilience.
8. Identifies and provides for the continuity of critical operations.

KEY POLICY DEFINITIONS

Risk: Effect of uncertainty on objectives.

<u>Note 1:</u>   An effect is a deviation from the expected – positive or negative.

<u>Note 2:</u>   Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, operational, project, product or process).

Risk Management: Coordinated activities to direct and control an organisation with regard to risk.

Risk Management Process: Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

ROLES & RESPONSIBILITIES

The CEO is responsible for the:
- Implementation of this Policy.
- Measurement and reporting on the performance of risk management.
- Review and improvement of this Policy and the Shire's Risk Management Framework at least biennially, or in response to a material event or change in circumstances.

The Shire's Risk Management Framework outlines in detail all roles and responsibilities under CEO delegation associated with managing risks within the Shire.

RISK ASSESSMENT AND ACCEPTANCE CRITERIA

The Shire has quantified its broad risk appetite through the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Framework.

All organisational risks are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

MONITOR & REVIEW

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Executive Team and be formally reviewed biennially.