

# Risk Management Policy

Adopted: 29 August 2019

Reviewed:

## 1. Objective

Far North District Council (FNDC) is committed to improving decision making through effective risk management. FNDC will ensure so far as reasonably practicable, an effective integrated process for managing risk is implemented to guide management and staff on risk management expectations.

## 2. Policy Statement

FNDC is committed to ensuring sustainable and effective management of risks at all levels:

### Communication

- Develop a risk communication strategy to encourage accountability and ownership of risk
- Ensure regular discussion on risk management in staff forums to ensure appropriate awareness and understanding of risk
- Communicate with the community on risks and build confidence in the activities of Council.

### Reporting

- Actively encourage ownership of risk through regular risk reports
- Identify emerging, changing and decreasing risks of potential impact to the achievement of Council objectives
- Updating relevant agencies on compliance with regulatory requirements.

### Monitoring

- Systematic assessment of the key risks for Council
- Measure risk treatment and reporting frequency
- Monitor the application and effectiveness of risk management to ensure relevance and alignment with Council expectations.

### Compliance

- Measure the treatment and frequency of risk
- Design improvements where the risk treatment is not operating effectively or efficiently
- Identify the controls for treating the risk and ensure the control is implemented.

### Consultation

- Encourage consultation and participation of staff in all matters relating to risk, risk issues and treatment of risk
- Support managers and staff on the controls and activities for treating risk in general and the specific risks that are their responsibility to manage
- Actively encourage continuous improvement of sustainable and effective risk management.

## Responsibilities

FNDC requires active participation from all staff to ensure sustainable and effective risk management. FNDC shall where reasonably practicable, take responsibility as follows:

- be actively involved in promoting a positive risk management culture
- have an understanding of the risks relevant to the area of responsibility
- develop and maintain a level of risk management competency
- take responsibility and accountability for treating and controlling risk
- identify risk, assess inherent and residual risk, and determine treatment of risk
- share relevant risk management information at team meetings
- engage in risk management discussions
- ensure access to the right information on effective risk management
- escalate in a timely manner any risk management issues or concerns when they arise
- follow all policies, procedures and processes that are applicable
- report all risks in a timely manner in the Councils risk management reporting system

## 3. Relevant Policies and Procedures

<b>AS/NZS ISO 31000:2009</b>	Risk Management – Principles and Guidelines
<b>Council Policies and Procedures</b>	All FNDC policies and processes serve to manage risk by specifying and forming the controls that manage specific risks

## 4. Definitions

–Term	Definition
<b>AS/NZS ISO 31000:2009</b>	Joint Australian New Zealand International Standard which provides principles and generic guidelines on risk management; and can be applied to any type of risk. FNDC Risk Management Policy embraces the principles and guidelines articulated in this document.
<b>Compliance</b>	Managing adherence to laws, regulations, guidelines and specifications relevant to FNDC.
<b>Control</b>	Measure that modifies effect of uncertainty on objectives.
<b>Inherent</b>	Impact of risk prior to treatment.
<b>Monitor</b>	Continual review of status of risk to identify change from the performance level required or expected.
<b>Review</b>	Activity, such as internal audit, taken to determine suitability, adequacy and effectiveness of control(s) to achieve objective.
<b>Risk</b>	Effect of uncertainty on objectives.
<b>Risk</b>	Co-ordinated activities to direct and control FNDC with regard to risk.

Term	Definition
management	
<b>Risk Assessment</b>	A systematic and disciplined process of evaluating the uncertainty that may be involved in an activity.
<b>Risk Management Policy</b>	FNDC statement of overall intentions and direction related to risk management; captures good practice expectations.
<b>Reporting system</b>	Currently the system FNDC use is IDEATE, a tool which provides a disciplined approach to identifying, analysing and treating uncertainties.
<b>Residual</b>	Risk remaining after risk treatment.
<b>Treat</b>	<p>Risk treatment creates a control (in descending order of preference):</p> <ul style="list-style-type: none"> <li>• Avoid the risk by deciding not to start or continue the activity that gives rise to the risk</li> <li>• Taking or increasing the risk in order to pursue an opportunity</li> <li>• Removing the source</li> <li>• Changing the probability/likelihood</li> <li>• Changing the impact/consequence</li> <li>• Sharing the risk with another party(s)</li> <li>• Retaining the risk by informed decision</li> </ul>

## 5. Approval

This policy has been approved and will be reviewed every three years.