



Risk Management – Corporate Policy

Purpose

The City of Melbourne Risk Management Policy describes our commitment to and objectives around managing risks. It explains how responsibility for managing risks is distributed between officers and committees of the organisation. The policy is enacted through the Risk Management Framework, Risk Management Strategy, the Corporate Risk Management Program and various management system processes and procedures.

It acknowledges the moral, financial and legal responsibility to effectively manage risks and opportunities in all areas of operations. The purpose is to ensure the efficient and ethical use of resources and services used by rate-payers, residents, staff and visitors.

Scope

The City of Melbourne requires the development and provision of an effective risk management framework and process to mitigate potential negative outcomes and to better realise sustainable opportunities present in the organisation's operations. The City of Melbourne applies the risk management process as part of strategic planning to facilitate more effective problem solving, decision making and service delivery.

The City of Melbourne:

- recognises risk management as an integral part of good management practice and decision making;
- creates and maintains a risk management environment that enables Council to deliver high quality services and meet performance objectives in line with our principle of seeking continuous improvement and Lean Thinking methodology;
- ensures resources and operational capabilities are identified and deployed responsibly and effectively. Resources include the staffing for the Risk Management Team and related work areas, computer-based systems, documentation, tools and access to external risk management specialists; and
- demonstrates the application of the risk management process of identifying, analysing, evaluating and treating risks, as detailed in the Risk Management Standard, AS/NZS ISO 31000:2009.

Definitions

'Risk Management' is the coordinated activities to direct and control an organisation with regard to risk. It relates to all aspects of the organisation's operations and practice.

'Risk' is the effect of uncertainty on objectives. It is measured in terms of a combination of the likelihood of an event and its consequence.

Legislative context

The Australian and New Zealand and International Risk Management Standard AS/NZS ISO 31000:2009

Policy

It is the policy of the City of Melbourne that all work areas implement the Risk Management Framework that provides an effective process for the identification, analysis and management of both negative and positive impacts on physical, social and economic capital. This will support sustainability and safeguard Council's assets, infrastructure, people, finances and reputation.

Risk appetite

Risk appetite is the amount of risk exposure, or potential adverse impact from an event, that the City of Melbourne is willing to accept in pursuit of its objectives. Once the risk appetite threshold has been breached, risk management controls and actions are required to bring the exposure level back within the accepted range.

City of Melbourne has a level of risk appetite that it tolerates which is low, medium and high risks as detailed in the below table:

Risk rating	Minimum treatment required	Description
Very high risk	Reject and avoid or mitigate	Immediate action required in consultation with a Director to either avoid the risk entirely or to reduce the risk to a low, medium or high rating
High risk	Accept and mitigate	These risks need to be mitigated with actions as required and managers need to be assigned these risks
Medium risk	Accept	Manage by specific monitoring or response procedures
Low risk	Accept	Manage by routine procedures

Procedure

1. The Chief Executive Officer has the ultimate responsibility for ensuring that risk is managed across the Council.
2. The Chief Executive Officer and Directors are responsible for monitoring the corporate implementation of the Risk Management Policy.
3. The Manager People and Culture is the senior executive responsible for overseeing the development and maintenance of the Occupational Health and Safety culture, framework and systems throughout the Council.
4. The Manager Governance and Legal is the senior executive responsible for overseeing the development, facilitation and implementation of a risk management culture, framework, and strategy and corporate program, including training and awareness, monitoring corporate risk management performance and management reporting.
5. Directors are responsible for their Group's risk management performance, including implementation of the Risk Management Strategy, ensuring appropriate resources for risk management actions are made available and ensuring effective monitoring, reviews and reporting are undertaken. This includes ensuring that their overall group risk profile entered by branch staff into the corporate risk register is reviewed, updated and approved quarterly.

6. The Audit and Risk Committee is responsible for reporting to Council and reviewing management's approach to risk, in particular, risks associated with the core activities of council. It also reviews council's overall risk management plan, ensures that periodic assessments are undertaken, control measures are established and their effectiveness is monitored and reviewed.
7. The Internal Auditor is responsible for developing and conducting the internal audit plan, program and reviews across all operations. This includes the review of relevant risks across the business as identified in the corporate risk register and other documentation, and assessing new risks as they may emerge through an audit. The Internal Auditor reports on findings and makes recommendations to management and the Audit and Risk Committee.
8. Each Manager is accountable for implementing the risk management policy through appropriate actions in his or her area of responsibility. This includes ensuring that their overall branch risk profile entered by staff into the corporate risk register is reviewed, updated and approved quarterly, and that reports are provided to Directors.
9. Group Risk Coordinators are to provide assistance in the development, review and reporting of the risk profiles of all branch's within the Group, support the role of the Branch Risk Coordinators, liaise with the Risk Management Team in Governance and Legal and contribute through consultation to the development of the corporate Risk Management Strategy, related action plans and systems.
10. Branch Risk Coordinators are to consult with branch management and staff to ensure that the reporting, updating and review of the branch risks within the corporate risk register occurs, liaise with the Risk Management Team in Governance and Legal and inform the Group Risk Coordinator of modifications to the branch risk profile/plans during the year.
11. All employees and service providers are responsible for applying risk management practices in their area of work and ensuring that City of Melbourne management are aware of all types of risks associated with council's operations. This extends to recommending suitable plans to manage risks and obtaining appropriate approval prior to action.

Supporting material

Document title	DM number
Crisis and Business Continuity Policy	DM# 4127154
Fraud and Corruption Policy	DM# 4127149
Hazard Identification, Risk Assessment, Control & Evaluation (HIRACE) Policy	DM# 4141818
How to Conduct a Risk Assessment	DM# 3459208
Risk Management Framework	DM# 4038211
Risk Management Strategy	DM# 5791736

Governance – Policy Development and Review

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