

15.2 Risk Management Framework Review

Location	Town-wide
Reporting officer	Manager Governance and Strategy
Responsible officer	Chief Executive Officer
Voting requirement	Simple majority
Attachments	1. ToVP Risk Management Framework [15.2.1 - 18 pages] 2. ToVP Risk Management Framework - Clean version [15.2.2 - 17 pages]

Summary

The Town's Risk Management Framework was last reviewed by the Audit and Risk Committee on 19 June 2023, and adopted by Council on 18 July 2023. Since that time, the Town has reviewed the operational and strategic risk registers. As an outcome of these reviews, it is recommended the Risk Management Framework be amended.

Committee Recommendation

The Audit and Risk Committee recommends to Council to defer the item to a committee workshop to be held prior to the next Audit and Risk committee meeting.

Background

1. The Town has an embed risk management approach in accordance with the Australian Standard AS/NZS 31000 – Risk Management. As part of this approach, the Town had adopted the following:
 - (a) A Risk Management Policy (Policy 004) which sets out the general scope, expectations, roles and responsibilities for risk management, with reference to the Risk Management Framework.
 - (b) A Risk Management Framework which outlines the Town's approach to the management of risk by setting out key governing elements:
 - (i) Principles, framework and process and systems
 - (ii) Structure
 - (iii) Risk appetite statement for the Town
 - (iv) Risk assessment and acceptance criteria adopted by Council.
 - (c) A Risk Management Practice (004.1) which provides information to C-Suite, managers, senior staff and other employees on how risk management philosophies and practices are operationalised throughout the organisation.
2. In July 2023, the Risk Management Framework was reviewed with minor edits made.
3. In 2024, the operational and strategic risk registers were reviewed and amended.

4. Following these reviews, it has been identified that the Risk Management Framework also requires amending.

Discussion

5. The Risk Management Framework has been updated to include the following:
 - (a) Reference to the Towns Strategic Community Plan
 - (b) Definitions of risk management and risk
 - (c) References to the Strategic and Operational Risk Register, and inclusion of project risks
 - (d) Changes to the governance structure for risk management
 - (e) Changes to the risk impact categories and Risk Consequences table.
6. There have been some minor edits to the names of four Risk Impact categories. Financial has been renamed Financial Loss, Health and Safety has been renamed Safety, Legislative Compliance has been renamed Compliance Breach and Service Delivery has been renamed Service Delivery Interruption. The description has also been changed for both of these new categories to correctly reflect the risk. Their corresponding descriptions have not been changed.
7. The Risk Impact Category of Infrastructure/ICT Systems/Utilities has been split into two distinctive categories – Information Security and Assets. It is believed that splitting the category in this way better reflects the risks that are to be managed.
8. New descriptions have been added for these two new risks.
9. The Risk Consequences table has been amended to reflect the new naming conventions, and new ratings have been added for the new categories of Information Security and Assets.
10. The Town's internal Risk Management Working Group have recommended the Risk Impact Categories and Risk Consequences table be amended as proposed.
11. Should the amendments to the Risk Management Framework be approved, the risk section for Council reports will be amended accordingly.

Relevant documents

Nil.

Legal and policy compliance

[Policy 004 Risk Management](#)

Financial implications

Current budget impact	There are no budget implications associated with this report.
Future budget impact	Not applicable

Risk management consideration

Risk impact	Risk event description	Risk	Risk	Risk Mitigation
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category	rating	appetite
Financial	High	Low
Environmental		Medium
Health and safety		Low
Infrastructure/ ICT systems/ utilities	Not properly identifying and classifying the risks can cause incorrect assessments and treatment options to be implemented.	Medium Treat the risk by correctly labelling the risks.
Legislative compliance		Low
Reputation		Low
Service delivery	A Risk Management Framework that is lacking in important information	Medium Treat the risk by amending the Risk Management Framework

Engagement

Internal engagement	
Stakeholder	Comments
Risk Management Working Group	The Town's internal Risk Management Working Group have recommended the Risk Impact Categories and Risk Consequences table be amended as proposed.

Strategic alignment

Civic Leadership	
Community Priority	Intended public value outcome or impact
CL1 – Effectively managing resources and performance.	Amending the Risk Management Framework will enable the resources of the Town to be managed more effectively and improve performance.
CL3 - Accountability and good governance.	Sound risk management approaches and processes that are embedded into the Town's operations and culture, promotes good governance and better accountability outcomes.

Further consideration

Not applicable.

