

<b>Responsible Department:</b>	Corporate Services
<b>Responsible Business Unit:</b>	Governance
<b>Date of Amendment:</b>	18 March 2026
<b>Council Resolution:</b>	210326

### 1. OBJECTIVE

The objective of this Policy is to document the commitment and objective regarding managing uncertainty that may impact the Shire's strategies, goals or objectives. Optimise the achievement of our vision, mission, strategies, goals and objectives. Provide transparent and formal oversight of the risk and control environment to enable effective decision making. Embed appropriate and effective controls to mitigate risk. Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations. Enhance organisational resilience; and identify and provide for the continuity of critical operations.

### 2. SCOPE

This policy applies to Council Members, the Chief Executive Officer, employees, contractors and consultants engaged by the Shire of Chittering.

This policy applies to all Shire activities, functions, and decision-making processes, and governs the identification, assessment, treatment and monitoring of risks that may affect the Shire's objectives, compliance obligations or service delivery.

### 3. DEFINITIONS

**Risk** means effect of uncertainty on objective.

**Risk Management** means coordinated activities to direct and control an organisation with regard to risk.

**Risk Management Process** means 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.

### 4. POLICY STATEMENT

It is the Shire's policy to achieve best practice (aligned with *AS/NZS ISO 31000:2009 Risk Management*), in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations or members of the public.

Risk Management will form part of the Strategic, Operations, Project and Line Management responsibilities and where possible, be incorporated within the Shire's Integrated Planning Framework.

## SHIRE POLICY 1.9 Risk Management

The Shire's management team will determine and communicate the Risk Management Policy, Objectives and Procedures, as well as, direct and monitor implementation, practice and performance.

Every employee within the Shire is recognised as having a role in risk management from the identification of risks to implementing risk treatments and shall be invited and encouraged to participate in the process.

Consultants may be retained at times to advise and assist in the risk management process, or management of specific risks or categories of risk.

### **4.1. Risk Appetite**

The Shire quantified its risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Procedures and are subject to ongoing review in conjunction with this policy.

All organisational risks to be reported at a corporate level are then 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 organisation's appetite and are to be noted within the individual risk assessment.

## **5. ROLES AND RESPONSIBILITIES**

The Chief Executive Officer is responsible for the allocation of roles, responsibilities and accountability. These are documented in the Risk Management Procedures (Operation Document).

## **6. APPENDICES**

Appendix A – Measures of Compliance Matrix

### 7. COMPLIANCE

<b>Legislation</b>	<p><i>Local Government Act 1995</i></p> <p><i>Local Government (Administration) Regulations 1996</i></p> <p><i>Local Government (Financial Management) Regulations 1996</i></p> <p><i>Corruption, Crime and Misconduct Act 2003</i></p> <p><i>Work Health and Safety Act 2020</i></p> <p><i>State Records Act 2000</i></p>
<b>Industry</b>	<p>AS/NZS ISO 31000:2009 Risk Management – Guidelines</p> <p>Integrated Planning and Reporting Framework (Department of Local Government, Industry Regulation and Safety)</p> <p>Western Australian Local Government Association (WALGA) Risk Management Guidance</p>
<b>Organisational Documents</b>	<p>Risk Management Register</p> <p>Council Plan (formerly Strategic Community Plan)</p> <p>Corporate Business Plan</p> <p>Long Term Financial Plan</p> <p>Audit, Risk and Improvement Committee Terms of Reference</p>
<b>Strategic Alignment</b>	<p>Connected Communities</p>

### 8. ADMINISTRATION

<b>Review Cycle</b>	Every 3 years	<b>Next Review Due</b>	October 2028
<b>Policy Owner</b>	Chief Executive Officer		
<b>Version</b>	<b>Decision Ref</b>	<b>Date</b>	<b>Change</b>
1.0	Unknown	25/06/2014	Initial adoption
2.0	130722	20/07/2022	Amendment
3.0	170623	21/06/2023	Amendment
4.0	210326	18/03/2026	Review

## APPENDIX A – MEASURES OF COMPLIANCE MATRIX

Measures of Consequence									
RATING	PEOPLE	INTERRUPTION TO SERVICE	REPUTATION	COMPLIANCE	PROPERTY	NATURAL ENVIRONMENT	FINANCIAL IMPACT	PROJECT	
			(Social / Community)		(Plant, Equip, Buildings)			Time	Budget
Insignificant (1)	Near-Miss	No material service interruption Less than 1 hour	Unsubstantiated, localised low impact on community trust, low profile or no media item.	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact managed by on site response	Less than \$10,000	Exceeds deadline by 10% of project timeline	Exceeds project budget by 10%
Minor (2)	First Aid Treatment	Short term temporary interruption – backlog cleared < 1 day	Substantiated, localised impact on community trust or low media item	Some temporary non compliances	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response	\$10,000 - \$50,000	Exceeds deadline by 15% of project timeline	Exceeds project budget by 15%
Moderate (3)	Medical treatment / Lost time injury <30 Days	Medium term temporary interruption – backlog cleared by additional resources < 1 Week	Substantiated, public embarrassment, moderate impact on community trust or moderate media profile	Short term non- compliance but with significant regulatory requirements imposed	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies	\$50,001 to \$200,000	Exceeds deadline by 20% of project timeline	Exceeds project budget by 20%
Major (4)	Lost time injury >30 Days / temporary disability	Prolonged interruption of services – additional resources; performance affected <1 Month	Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Non-compliance results in termination of services or imposed penalties to Shire / Officers	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies	\$200,001 to \$500,000	Exceeds deadline by 25% of project timeline	Exceeds project budget by 25%
Extreme (5)	Fatality, permanent disability	Indeterminate prolonged interruption of services non- performance > 1 month	Substantiated, public embarrassment, widespread loss of community trust, high widespread multiple media profile, third party actions	Non-compliance results in litigation, criminal charges or significant damages or penalties to Shire / Officers	Extensive damage requiring prolonged period of restitution. Complete loss of plant, equipment & building	Uncontained, irreversible impact	>\$500,000	Exceeds deadline by 30% of project timeline	Exceeds project budget by 30%

### Measures of Likelihood

Rating	Description	Frequency
Almost Certain (5)	The event is expected to occur in most circumstances	More than once per year
Likely (4)	The event will probably occur in most circumstances	At least once per year
Possible (3)	The event should occur at some time	At least once in 3 years
Unlikely (2)	The event could occur at some time	At least once in 10 years
Rare (1)	The event may only occur in exceptional circumstances	Less than once in 15 years

### Risk Matrix

Likelihood \ Consequence	Risk Matrix				
	Moderate (5)	High (10)	High (15)	Extreme (20)	Catastrophic (5)
Almost Certain (5)	Extreme (25)				
Likely (4)	Extreme (20)				
Possible (3)	High (15)				
Unlikely (2)	High (10)				
Rare (1)	Moderate (5)				

### Risk Acceptance Criteria

Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	DCEO / CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council