



Bayside Council

Serving Our Community

Risk Management Policy

24 September 2025



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Risk Management Policy

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What You Need to Know

Everyone plays a role in effectively managing risks to Bayside Council.

When risks are understood and well managed, Council is positioned to seize opportunities and achieve its strategic objectives.

Wherever we operate we will develop, implement and maintain systems and procedures that enable us to:

- Identify, assess and manage risks in an effective and efficient manner;
- Make decisions based on a comprehensive view of the reward-to-risk balance;
- Provide greater certainty of the delivery of objectives; and
- Satisfy our compliance obligations.

Always read this policy in conjunction with the Related Procedures identified below.

Policy Statement	Council is committed to establishing a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks. Our aim is to: • Better understand the reward-to-risk balance to achieve better outcomes for our community, employees and volunteers; • Continually improve the management of risk; • Meet our compliance obligations; and • Operate within Council's Risk Appetite.		
Purpose	This policy expresses Bayside Council's commitment to implementing organisation-wide risk management principles, systems and processes that ensure the consistent, efficient and effective assessment of risk in all Council's planning, decision-making and operational processes.		
Risk Statement	All Council policies are to incorporate a statement on the relevant risk appetite		
Scope	Councillors, Officers, Employees, Volunteers		
Related Documents	Adopted Code of Conduct Work Health and Safety Policy Project Management Framework Fraud and Corruption Control Plan Business Continuity Plan ARIC Terms of Reference		
Related Procedures	Risk Management Procedure and supporting guides and tools		
Compliance Requirements	Local Government Act 1993 NSW Local Government (General) Regulation 2021 NSW Office of Local Government Guidelines for Risk Management and Internal Audit for Local Government in NSW.		
Policy Owner	Manager: Governance & Risk		
Effective Date	24 September 2025	Review Date:	24 September 2028

Councils approach to risk management is based on the Australian Standard on Risk Management –Guidelines (AS/NZS ISO 31000:2018) *(or as updated)*.

1 Principles

The guiding principles of this policy are:

- to enable an innovative, adaptable, agile and sustainable Risk Management Framework to ensure the consistent management and/or mitigation of risks
- to promote better governance by demonstrating transparent, accountable and responsible risk management processes aligned with accepted better practice standards and methods
- to promote sound decision-making using the Risk Management Framework to ensure Council advances with increased confidence towards the achievement of its objectives
- to establish a Risk Management Framework which provides staff with necessary tools to effectively manage risks
- to embed a risk aware culture where all Councillors and staff assume accountability for managing risks
- to effectively integrate Risk management into Council's executive planning activities to ensure the achievement of strategic objectives as identified in the Community Strategic Plan and related strategies and plans.

2 Objectives

Council is committed to ensuring that:

- Risk management is an integral part of Council planning and decision-making processes.
- There is a consistent approach to the management of risks across Council.
- All staff are provided with necessary resources and authority to fulfil their risk management responsibilities.
- All staff receive appropriate training to manage risks according to their responsibilities.
- Risk management performance is evaluated as part of performance assessments.
- Undesirable risk outcomes are analysed and treated as opportunities for improvement.

3 Risk Management System

Council's Risk Management Framework (RMF) system consists of:

- This Policy.
- Risk Management Framework, including risk criteria and appetite statement.
- Processes for risk management and control assurance.
- Risk registers (Strategic, Enterprise, Divisional) and reporting systems. Risks are categorised as:

- **Strategic Risks**
External uncertainties impacting Council's objectives, managed by Council with Executive input.
- **Enterprise (Operational) Risks**
Internal events affecting performance, managed by the Executive Committee.
- **Project Risks**
Uncertainties during project rollout, managed through project-specific processes.

4 Roles and Responsibilities

Role	Responsibility
Council (Mayor/Councillors):	The Mayor and Councillors are responsible for: • Promoting a positive risk culture to protect Council • Critical oversight of the effectiveness of risk management • Reviewing and endorsing this Policy • Reviewing and endorsing the risk criteria and appetite statement in consultation with ARIC • Considering risks arising from Council decisions • Considering risk management issues contained in Council reports.
General Manager (GM)	Under section 335 of the Local Government Act 1993, the GM has ultimate responsibility and accountability for risk management in Council, which includes: • Establishing a culture of risk awareness and an expectation that the behaviour and actions of all Council staff will provide appropriate protection for the organisation against unjustified or unacceptable risk • Ensuring the provision of adequate resources for effective risk management • Fulfilling the annual attestation requirements in Council's annual report
Audit, Risk and Improvement Committee (ARIC)	ARIC is responsible for: • Keeping risk management under review and providing independent assurance and advice in accordance with the ARIC Terms of Reference • Consulting with Council on its risk criteria and appetite statement.
Risk Owners	• Identify, assess, manage, and monitor risks in their areas (typically GM, Directors, or Managers). • Ensure risks are within appetite or seek approval for exceptions. • Implement corrective actions and resolve cross-organizational issues.
Manager Governance & Risk	The Manager Governance and Risk is responsible for fulfilling the enterprise function, which includes:

Role	Responsibility
	• Providing ongoing Risk Management support and advice to Council at all levels • Reporting on Risk Management Performance to Executive • Development, oversight and ongoing maintenance of the Risk Management Program • Ensuring compliance with relevant regulatory, legislative or industry risk management requirements • Liaising with Council's internal auditor to address areas of risk to be reviewed as part of the Internal Audit Plan. • Reviewing and updating this Policy
Staff (including Volunteers and Contractors):	• Follow risk management procedures. • Ensure actions protect Council against unacceptable risks.

5 Reporting

Reporting requirements are outlined in the Risk Management Framework, including:

- Quarterly reports to GM, Executive Committee, ARIC, and Council.
- ARIC Strategic Risk Assessment Report.

6 Evaluation

The effectiveness of this Policy will be measured by performance measures outlined in the Risk Management Framework, including risk management outcomes and compliance with procedures.

7 Document control

7.1 Review

This Policy will be reviewed every three (3) years or as required. Minor editorial amendments may be approved by the General Manager, Director City Performance and/or Manager Governance & Risk.

7.2 Version history

The following matrix details the version history of the Risk Management Policy:

Version	Release Date	Author	Reason for Change
1.0	14/06/2017 (Council) 18/05/2027 (R&A Cttee)	Coordinator Risk Management	New document
2.0	09/09/2021 (Executive)	Coordinator Risk Management	Review and update to risk appetite.
3.0	24/09/2025 (Council) 10/09/2025 (CPE Comm)	Risk Specialist	Updated in line with OLG Guidelines for Risk Management & Internal Audit for LG in NSW.