

Risk Management Policy

Council Policy



Owner	Elected Members		
Responsible Officer	Chief Executive Officer		
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1 Purpose

The purpose of this policy is to outline Council's principles and approach to the identification, management, mitigation and monitoring of risks and opportunities, in alignment with the Australian Standard *AS ISO 31000:2018*, to support improved decision-making to enhance Council's performance.

2 Definitions

For the purpose of this policy, the following definitions apply:

Term	Definition
Council	Any reference to Council in this policy or the Risk Management Framework inherently includes controlled entities, including offices, committees, statutory authorities, and business divisions that are part of, or attached to, subsidiary to or otherwise controlled by Council.
Control	A measure that maintains or modifies risk and may include, but not limited to, a process, policy, device, practice or another actions.
Hazard	An element which alone or in combination has the potential to give rise to risk.
Monitor and review	The continuous process of tracking, assessing, and evaluating the effectiveness of implemented risk treatments and controls to ensure they remain appropriate and address evolving risks and Council's strategic objectives.
Risk	Effect of uncertainty on objectives
Risk appetite	The amount and type of risk an organisation is willing to accept or can tolerate in pursuit of its business objectives.
Risk management	A set of coordinated activities to direct and control an organisation's response to risk.
Team member	Council staff employed by Alice Springs Town Council, regardless of the capacity in which they are employed, and including: all temporary agency staff, all authorised representatives, all contractors whilst engaged in any capacity and all volunteers.

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3 Policy Statement

3.1 Principles

- 3.1.1** Council is committed to managing risk in alignment with *AS ISO 31000:2018* as the minimum standard.
- 3.1.2** Council recognises that risk management is an integral part of good governance, and is committed to integrating effective risk management into its decision-making, activities and day-to-day management to assist in setting strategies, achieving objectives, identifying opportunities, and making informed decisions.
- 3.1.3** Council will adopt a systematic approach to risk management by:
- maintaining and embedding a quality, fit-for-purpose Risk Management Framework
 - supporting a culture where risk and opportunity is understood, managed and communicated across all levels of the organisation
 - defining risk management responsibilities
 - identifying its risk appetite and tolerance of risk
 - identifying and rating all significant strategic, operational, special project, tender, contract, and new service risks using Council's risk management process
 - implementing effective treatment plans
 - evaluating the quality of internal control mechanisms
 - providing staff with the policies, procedures and tools necessary to identify, communicate and manage risks
 - maintaining an appropriate level of risk management capability, including staffing and resources
 - monitoring, managing and reporting on risk, in accordance with the risk appetite
 - implementing a continuous improvement approach to risk management.
- 3.1.4** All Elected Members and team members have risk management responsibilities.
- 3.1.5** Council recognises that innovation involves risks, and if managed and understood, it can provide opportunities to create new ways to benefit the community and achieve Council's objectives.

3.2 Risk Management Framework

Council's Risk Management Framework outlines the processes, procedures, and tools used to systematically identify, assess, mitigate, and monitor risks to achieve Council's vision, values, strategies, goals and objectives.

Application of the Risk Management Framework assists Council to:

- apply consistent risk management practices and effective controls across the organisation
- make informed decisions

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- help to identify priorities and opportunities, supporting a culture of innovation
- enhance risk versus return, within Council's risk appetite
- enhance organisational resilience
- identify and provide for the continuity of critical operations
- protect the safety of its people, assets, finances and reputation
- define risk management roles and responsibilities, and
- achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.

3.2.1 Risk Management Process Method

The risk management process within Council's Risk Management Framework is as per the *AS ISO 31000:2018* standard of:

- hazard and risk identification
- risk analysis and assessment
- risk evaluation and measurement
- risk treatment and control mitigation
- risk recording in registers and systems
- ongoing monitoring, reporting and review.

3.3 Risk Appetite

Council's risk appetite statement documents the amount of risk Council is willing to take in achieving its strategic objectives. Risk appetite varies and is a broad and general position. Defining Council's risk appetite establishes boundaries for prudent decision-making and risk taking. It creates 'freedom' within boundaries by promoting flexibility and accountability to management and the community.

Council's risk appetite is reflected in its:

- risk assessment and acceptance criteria, including descriptions of consequence and likelihood
- matrix for rating risk, and
- risk registers.

All organisational risks are to be assessed according to Council's risk assessment and acceptance criteria to allow consistency and informed decision making.

For operational requirements, such as for projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be used, however these cannot exceed the Council's risk appetite, and are to be noted within the individual risk assessment.

3.4 Monitor and Review

Council will implement and integrate a 'monitor and review' process to report on the achievement of risk management objectives, management of individual risks, and ongoing identification of issues and trends.

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4 Responsibilities

The *Local Government Act 2019 (NT)* and associated Regulations empower and require the Chief Executive Officer to establish and maintain a risk management framework and associated processes.

While the Chief Executive Officer is responsible for the implementation of this policy, all Elected Members and team members are responsible for adhering to the requirements of this policy and the Risk Management Framework.

The Risk Management and Audit Committee will review the effectiveness of the Risk Management Framework and associated processes.

Team members are responsible for identifying, assessing, managing, and reporting risk.

5 Related Legislation and Documents

- *Local Government Act 2019*
- *Local Government (General) Regulations 2021*
- Alice Spring Town Council's Risk Management Framework
- Alice Spring Town Council's Risk Appetite Statement
- ISO 31000:2018 – Risk Management

6 Communication and Training

Will this policy be communicated through consultation to teams?	Yes
Where will this policy be available?	Council Website
Will training needs arise from this policy? If yes, who will be responsible.	Manager Governance