

Program:	Ethical Standards, Audit & Risk
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Scope

This policy applies to all Mackay Regional Council (council) Employees.

Objective

Council is committed to an enterprise-wide approach to managing risks through increasing awareness of potential threats and opportunities impacting capacity to achieve corporate objectives.

Council supports the implementation and maintenance of a formal integrated risk management system that will mitigate these risks and take advantage of identified opportunities.

Additionally, this Policy directs – in accordance with the Australian/New Zealand Standard ISO 31000:2018:

- A consistent and structured approach in identifying, assessing, monitoring and controlling enterprise risk.
- The implementation of integrated risk management practices across council that provides for:
 - Decision making in support of achieving strategic, operational and project objectives.
 - The consideration of risk in the development of corporate, operational and project plans
 - Employees being aware of and considering their risk management responsibilities.
 - Formalisation of council's commitment to the principles of risk management and incorporating these into all areas of the organisation.

Policy Statement

Council recognises that as a public authority it is exposed to a broad range of risks which, if not managed, could adversely impact on the organisation achieving its strategic objectives. Council is committed to creating an environment where:

- All identified risks will be assessed utilising Council’s Enterprise Risk Management Framework (ERMF).
- Appropriate training and resources will be made available to assist Employees in understanding, managing and reporting risk.
- Identification and reporting of risks is encouraged.
- Staff are encouraged to accept an appropriate level of risk, in line with Council’s adopted appetite statements, to ensure that Council delivers on its corporate and operational plan objectives.

Council is committed to embedding ERM to all areas of the business in order to drive consistent, effective and accountable action and decision-making. This policy must be read in conjunction with the ERMF and the Enterprise Risk Guide.

The ERMF outlines the risk management arrangements which guide the implementation of risk management across council. The framework also sets out the methodologies for the monitoring, review and reporting of risks. It was developed with reference to AS/NZS ISO 31000:2018 *Risk Management Guidelines*.

This process to remain in force until otherwise determined.

by Mackay Regional Council

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1.0 Principles

ERM and its processes have been defined in the Australian and New Zealand ISO 31000:2018 *Risk Management - Principles and Guidelines* as the culture, processes, and structures that are directed towards realising potential opportunities whilst managing adverse effects.

Key drivers for risk management include robust governance, legislative compliance, effective decision-making, and a focus on environmental, social, community, and financial sustainability. These drivers promote transparency, accountability, and resilience, enabling Council to achieve its strategic objectives and deliver positive outcomes for stakeholders.

Further weight has also been added to the importance of effective ERM by the Queensland Audit Office which consistently states that effective risk management is fundamental to good governance in Queensland public sector entities. It emphasises that risk management should support the achievement of strategic and operational objectives, and be reflected in organisational culture, behaviours and decision making.

1.1 Consultation and Communication

Council acknowledges that:

- Effective and open communication and consultation with stakeholders during all stages of the risk management process is crucial for successful identification and mitigation of risk.
- The ERMF will outline processes for the communication and escalation of risk ensuring all impacted stakeholders are appropriately engaged.
- The Enterprise Risk Guide is a subset of the Enterprise Risk Management Framework, providing the tools for stakeholders to use in risk-based decisions.

1.2 Responsibilities

The various Stakeholder responsibilities and accountabilities are broadly outlined in the ERMF document at 8.0 and more specifically in ERMF Appendix 1: Stakeholder Roles, Responsibilities and Accountabilities. All staff are responsible for ensuring compliance with the requirements of the risk management policy and risk related procedures.

The Senior Leadership Team and wider Leadership group

- Are responsible for the implementation of organisational policies to achieve effective risk management, and for ensuring adherence to policies by Employees.
- Are responsible for identifying and evaluating risks within their area of responsibility and implementing agreed actions to manage risk.

1.3 Enterprise Risk Management Performance

ERM performance will be measured and reported in accordance with the ERMF.

Council Appetite and Tolerance statements are documented in the Enterprise Risk Guide, used in risk assessment processes and considered in the risk implications of Council reports

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Audit Committee shall mean the advisory committee of Council consisting of Councillors and independent external members charged with providing assurance, oversight and advice to Council and the Chief Executive Officer in relation to the operations of Mackay Regional Council and its controlled entities.

Council shall mean all elected representatives of Mackay Regional Council.

Employees shall mean all persons employed at Mackay Regional Council on a permanent, temporary, volunteer or casual basis and may include persons engaged under a contract of service.

Enterprise Risk Management, (ERM) shall mean co-ordinated activities to direct and control an organisation with regard to risk.

Enterprise Risk Management Process shall mean the systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Enterprise Risk Management Framework, (ERMF) shall mean set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving Enterprise Risk Management through the organisation.

MRC shall mean Mackay Regional Council.

Operational risks are those which will impact an operational process, function or expected outcome.

Risk shall mean effect of uncertainty on objectives.

Risk appetite is the level of risk that Council is willing to take or accept in order to achieve its objectives.

Risk tolerance is the amount of deviation from the level of risk appetite Council is prepared to accept.

Strategic risks are internal and/or external events or scenarios that could impact (negative or positive) council’s ability to achieve its corporate objectives.

3.0 Review of Policy

This policy will be reviewed when any of the following occur:

- The related documents are amended or replaced.
- Other circumstances as determined from time to time by a resolution of Council

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012, Section 164 (1)*
- *AS/NZS ISO 31000:2018 Risk Management Guidelines*
- Enterprise Risk Management Framework
- Enterprise Risk Guide

Version Control:

Version	Reason / Trigger	Change	Endorsed / Reviewed	Date
2	Review of Policy	Amendments to Policy	Council	12.09.2018
3.0	Review of Policy	Updated policy	Council	13.12.2023
4.0	Review of Policy	Updated policy	Council	22.04.2026