

**COUNCIL POLICY COMPARISON TABLE**

**COUNCIL POLICY 4.7 RISK MANAGEMENT AND 4.24 RISK APPETITE & TOLERANCE**

**The purpose of this revision is to amalgamate the two policies into one – 4.7 Risk Management**

CURRENT POLICY CONTENT	PROPOSED CONTENT	CHANGE NOTES	COUNCIL COMMENTS
<p><b>STRATEGIC THEME</b></p> <p>Leading</p>	<p><b>STRATEGIC THEME</b></p> <p>Leading</p>	<p>No changes</p>	<p>Click or tap here to enter text.</p>
<p><b>OBJECTIVES</b></p> <p>CP 4.7 The purpose of this Policy is to state the City of Greater Geraldton’s (the City’s) commitment to managing risk to its ongoing operations.</p> <p>CP 4.24 To ensure the City understands and manages risk within acceptable risk appetite and tolerance levels.</p>	<p><b>OBJECTIVE</b></p> <p>The purpose of this Policy is to state the City of Greater Geraldton’s (the City’s) commitment to managing risk to its ongoing operations and to ensure the City understands and manages risk within acceptable risk appetite and tolerance levels.</p>	<p>No changes to content.</p>	<p>Click or tap here to enter text.</p>
<p><b>POLICY STATEMENT</b></p> <p>CP 4.7 This Policy applies to all City of Greater Geraldton operations.</p> <p>CP 4.24 The City’s risk appetite &amp; tolerance policy provides guidance on the City’s willingness to assume or be exposed to a level of risk in order to achieve its objectives. It is linked to the City of Greater Geraldton Corporate Business Plan 2025 – 2029 and the City of Greater Geraldton Community Strategic Plan 2025 – 2035 and informs the business planning process.</p>	<p><b>POLICY STATEMENT</b></p> <p>This Policy applies to all City operations. It provides guidance on the City’s willingness to assume or be exposed to a level of risk to achieve its objectives. It is linked to the City of Greater Geraldton Corporate Business Plan 2025-2029 and the City of Greater Geraldton Community Strategic Plan 2025-2035 and informs the business planning process.</p>	<p>Edited wording.</p>	<p>Click or tap here to enter text.</p>
<p><b>POLICY DETAILS</b></p> <p>4.7</p> <ol style="list-style-type: none"> <li>1. The City recognises that risk is inherent in all of its operations and that effective management of risk is necessary to protect its people, assets, liabilities and community against potential losses and negative consequences.</li> <li>2. The City will maintain the City of Greater Geraldton Risk Management Framework consistent with the guidelines and principles of risk management as set out in the Australian Risk Management Standard AS/NZS ISO31000.</li> <li>3. The City will utilise the City of Greater Geraldton Risk Management Framework which details the process that the City will follow when undertaking risk management within the organisation.</li> <li>4. The City will communicate with the Community about the City’s approach to managing risk.</li> <li>5. The City will integrate risk management into its corporate culture and its everyday business operations at the strategic, project, operational and emergency risk levels.</li> <li>6. The City will develop and implement a Strategic and Operational Risk Management Plans to ensure the ongoing management of City risk exposures.</li> </ol> <p>4.24</p> <p>1. Establishing Risk Appetite and Tolerance</p> <ol style="list-style-type: none"> <li>1.1. Risk is an inherent part of any organisation’s business operations. The exposure to and tolerance to risk differs across the City’s operations. The City recognises that its level of risk appetite and risk</li> </ol>	<p><b>POLICY DETAILS</b></p> <ol style="list-style-type: none"> <li>1. Risk Management Approach             <ol style="list-style-type: none"> <li>1.1. The City recognises that risk is inherent in all its operations and that effective management of risk is necessary to protect its people, assets, liabilities and community against potential losses and negative consequences.</li> <li>1.2. The City will maintain the Risk Management Framework consistent with the guidelines and principles of risk management as set out in the Australian Risk Management Standard AS/NZS ISO31000.</li> <li>1.3. The City will utilise the City of Greater Geraldton Risk Management Framework which details the process that the City will follow when undertaking risk management within the organisation.</li> <li>1.4. The City will communicate with the community about the City’s approach to managing risk.</li> <li>1.5. The City will integrate risk management into its corporate culture and its everyday business operations at the strategic, project, operational, and emergency risk levels.</li> </ol> </li> <li>2. Establishing Risk Appetite and Tolerance             <ol style="list-style-type: none"> <li>2.1. Risk is an inherent part of any organisation’s business operations. The exposure to and tolerance of risk differs across the City’s operations. The City recognises that its level of risk appetite and risk tolerance must be set at a level that</li> </ol> </li> </ol>	<p>Point 6 has been removed. Risk management is informed by the Risk Management Framework endorsed by Council. No further plans are proposed to be developed.</p> <p>5.2 Financial investment removed as an example.</p> <p>Small wording and formatting changes throughout.</p>	

<p>tolerance must be set at a level that encourages entrepreneurship and innovative organisational development. However, the City is also committed to building a sound foundation of quality control systems and a culture that identifies and manages risk associated with the level of risk appetite and tolerances set by the Council.</p> <p>1.2. The City has defined its risk appetite through the development and endorsement of the City's risk assessment and acceptance criteria. The criteria are included within the risk management framework and procedures and are subject to ongoing review in conjunction with this policy.</p> <p><b>2. Risk Appetite Criteria</b></p> <p>2.1. As a public authority the City has a natural and in some cases statutory predisposition to a conservative appetite for risk. In particular the City has little or no appetite for risk which will:</p> <p>2.1.1. Have a significant negative impact on the Council's long-term financial sustainability.</p> <p>2.1.2. Result in major breaches of legislative requirements and/or significant successful litigation against the City.</p> <p>2.1.3. Compromise the safety and welfare of staff, contractors and/or members of the community.</p> <p>2.1.4. Cause significant and irreparable damage to the environment.</p> <p>2.1.5. Result in major disruption to the delivery of key City services.</p> <p>2.1.6. Result in widespread and sustained damage to the City's reputation.</p> <p>2.1.7. Significantly impact on the City's ability to recruit and retain staff.</p> <p>The City provides a large and diverse range of services to a rapidly growing population. In order to provide these services the City must accept some level of risk.</p> <p>The City therefore has some appetite for risks that need to be taken in order to;</p> <p>2.1.8. Improve efficiency, reduce costs and/or generate additional sources of income.</p> <p>2.1.9. Maintain and where necessary improve levels of service to the community.</p> <p>The level of risk that is acceptable will be assessed and determined on a case-by-case basis.</p> <p><b>3. Risk Tolerance Criteria</b></p> <p>3.1. Risk tolerance represents the practical application of the City's risk appetite and is typically aligned to categories of risk such as strategy, financial, service or reputation.</p> <p>3.2. Risk tolerance is the boundaries or level of risk outside of which the City is not prepared to venture in the pursuit of its long term strategic objectives.</p> <p>3.3. The City's risk management framework defines the required process that must be followed in establishing the levels of acceptable risks and the levels of authority associated with the risk.</p> <p><b>4. Consideration of Complex Risk Exposures</b></p> <p>4.1. Where the City is considering undertaking a new function, project or investment that has risk consequences or rewards with far-reaching impacts on the community or City operations, a comprehensive risk assessment must be undertaken in accordance with the Risk Management Framework.</p> <p>4.2. In the case of specific high risk functions (such as financial investment), the City must establish specific risk management guidelines that details the acceptable level of risk.</p>	<p>encourages entrepreneurship and innovative organisational development. However, the City is also committed to building a sound foundation of quality control systems and a culture that identifies and manages risk associated with the level of risk appetite and tolerances set by the Council.</p> <p>2.2. The City has defined its risk appetite through the development and endorsement of the City's risk assessment and acceptance criteria. 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<p><b>KEY TERM DEFINITIONS</b></p> <p><b>Risk Management</b> is the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, and analysing, evaluating, treating, monitoring and communicating risk.</p> <p><b>Risk Appetite</b> The amount and type of risk that the City of Greater Geraldton is willing to pursue or retain.</p> <p><b>Risk Tolerance</b> Is defined, as the level of risk the City of Greater Geraldton is willing to accept after risk treatment in order to achieve its specific objectives.</p>	<p><b>KEY TERM DEFINITIONS</b></p> <p><b>Risk Management</b> is the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluation, treating, monitoring, and communicating risk.</p> <p><b>Risk Appetite</b> is the amount and type of risk that the City is willing to pursue or retain</p> <p><b>Risk Tolerance</b> is defined, as the level of risk the City is willing to accept after risk treatment to achieve its objectives.</p>	Minor changes to definitions.	Click or tap here to enter text.																												
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