

**ITEM 6 REVISED RISK APPETITE STATEMENT**

The community's priorities and aspirations for the future form the basis of our Community Strategic Plan. Council regularly reviews its risk management arrangements and processes to ensure that they remain best practice and provide a framework that allows decisions to be made with an understanding of Council's risk environment to support the achievement of community priorities identified in the Community Strategic Plan.

As part of the current review, the Risk Appetite Statement first adopted by Council in 2020 has been reviewed and is now presented to Council for adoption.

**RECOMMENDATION**

That the Wollongong City Council Risk Appetite Statement be adopted.

**REPORT AUTHORISATIONS**

Report of: Todd Hopwood, Manager Customer and Business Integrity  
Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

**ATTACHMENTS**

- 1 Risk Appetite Statement

**BACKGROUND**

The Local Government Act 1993, the Local Government (General) Regulation 2021 and the Risk Management and Internal Audit Guidelines issued by the Office of Local Government require each council in NSW to have an audit, risk and improvement committee, a robust risk management framework, and an effective internal audit function. Wollongong City Council has had each of these elements in place for many years and well before the Guidelines made these requirements mandatory in 2023.

Council's approach to risk management is guided by the adopted Risk Management Framework, and the identification and management of Council's strategic risks is overseen by an internal Enterprise Risk Management Committee that meets monthly. As required by the Guidelines, risk management activities are also monitored and reported to Council's Audit Risk and Improvement Committee.

The Risk Appetite Statement is the cornerstone of Council's Enterprise Risk Management Framework, setting the scene for how Council manages risk and informs decision-making processes throughout Council. Council first adopted a Risk Appetite Statement in 2020. The Risk Appetite Statement has now been reviewed and updated in consultation with the Audit Risk and Improvement Committee.

**PROPOSAL**

The revised Risk Appetite Statement is presented to Council for adoption. It sets out the amount of risk Council is willing to accept in pursuit of its strategic goals. It considers the most significant categories of potential risks to Council and provides an outline as to how much risk Council is willing to accept in each key area. It empowers Council to act with confidence and foresight, and ensures decisions are made with the right balance of ambition and caution. Ultimately the Risk Appetite Statement supports council's objectives while protecting its reputation, resources and community.

The community's priorities and aspirations for the future form the basis of our Community Strategic Plan. The needs of our community are front of mind in the development of our risk appetite as we balance the achievement of the goals set by our community with the risks inherent in the environments in which we deliver those outcomes.

Overall, Council has a balanced approach to its risk appetite aligned to its strategic objectives. Council's approach to risk appetite is to minimise our exposure to risks to our people and their safety, our reputation and corporate governance whilst accepting and encouraging an increased degree of risk in pursuit of our key strategic directives. The key challenges in achieving this balance are to ensure:

- ethical and effective governance practices including responsible stewardship of resources
- realisation of opportunities and allowing growth, transformation and innovation while avoiding unnecessary negative impacts
- avoidance of an inappropriately risk averse culture which may stifle growth, transformation and innovation

The Risk Appetite Statement is an essential governance tool that supports councillors as well as council staff in their decision-making processes, aligning them with Council's overall goals whilst managing risk appropriately. By adopting a clear Risk Appetite Statement, Council ensures that risk is managed effectively enabling better outcomes for Council and our stakeholders and community.

## CONSULTATION AND COMMUNICATION

The revised Risk Appetite Statement has been subject to consultation with Councillors, Council's Audit Risk and Improvement Committee (ARIC), Enterprise Risk Management Committee and Executive, with a number of workshops held to seek guidance on both the format/content of the document as well as the risk settings defined.

## PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2032 objective *"Our council is accountable, financially sustainable and has the trust of the community"*.

It specifically delivers on core business activities as detailed in the Customer and Business Integrity Division Plan 2024-25.

## SUSTAINABILITY IMPLICATIONS

The adoption and implementation of an effective risk appetite statement is a critical component of Council achieving its sustainability goals. Effective risk management practices will ensure that Council is efficient and innovative in achieving its strategic objectives while preserving and protecting its people, financial security and the built and natural environment in which we operate.

## RISK MANAGEMENT

Risk management is a fundamental component of decision making in all Council activities. All decisions made by Council and its officers need to consider the risks involved in taking those decisions and the impact those decisions will have on the achievement of Council's objectives. Successful implementation of the risk management framework will enhance the delivery of all six of our interconnected Community Goals outlined in Wollongong 2032.

## FINANCIAL IMPLICATIONS

Council finances are an area of significant risk for Council, which is appropriately reflected in the Risk Appetite Statement. There are no additional financial implications from the development and implementation of the Risk Appetite Statement.

## CONCLUSION

Council operates in uncertain and changing economic, social, political, legal and business environments. Risk management is not about being risk averse and it is not a guaranteed way to eliminate all the risks Council faces altogether. The Risk Appetite Statement provides direction and guidance to the management of Council in a way that allows the reduction of negative impacts of risks to a level that is acceptable and allows the decision to take calculated and appropriate risks that will help Council achieve its strategic goals and deal positively with opportunities.



Wollongong City Council

## Risk Appetite Statement

Adopted XX February 2025

## Risk Appetite Statement

## GUIDELINE

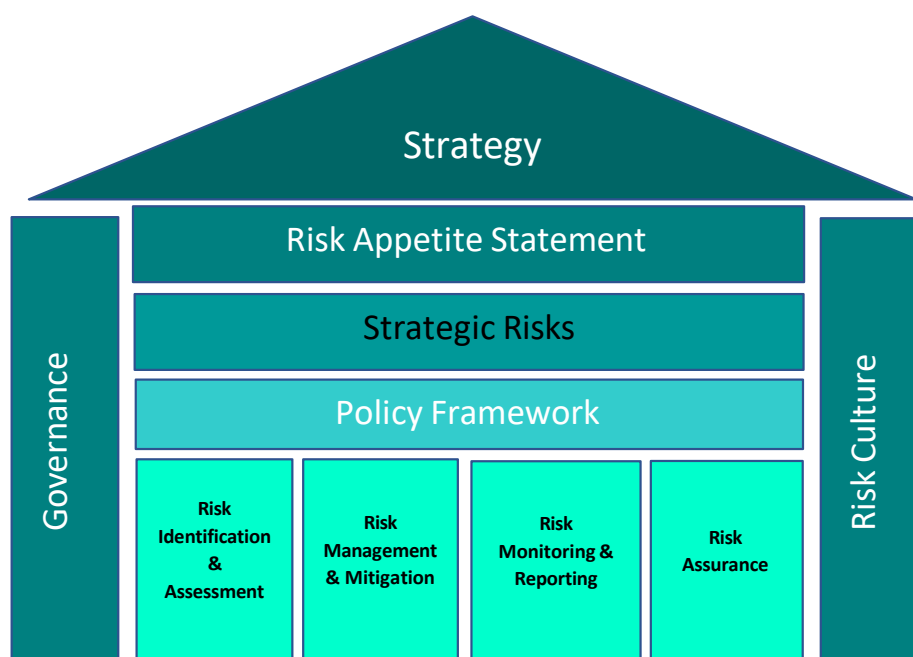
### Introduction

Risk Management is an essential component of Council's governance framework and supports the achievement of Council's goals and objectives. Effective risk management increases the probability of successful outcomes whilst protecting the reputation and sustainability of Council.

Risk appetite is the amount of risk Council is willing to accept in pursuit of its strategic goals. The Risk Appetite Statement (RAS) considers the most significant categories of potential risks to Council and provides an outline as to how much risk Council is willing to accept in this area.

### How risk appetite fits within Council

The risk appetite of Council informs the strategic decision-making process. The diagram below shows how the Risk Appetite Statement fits into the organisation and informs risk management.



Our community is at the centre of everything we do. The community's priorities and aspirations for the future as well as its wellbeing form the basis of our Community Strategic Plan. The needs of our community are front of mind in the development of our risk appetite as we balance the achievement of the goals set by our community with the risks inherent in the environments in which we deliver those outcomes.

### Risk Management Framework

Council's Risk Management Framework aims to identify and manage risk across the organisation effectively. The framework sets the requirements and responsibilities for staff and emphasises that the management of risk and risk reporting is everyone's responsibility and that they must have appropriate controls in place and ensure the effectiveness of these controls.

Risks are identified, analysed, evaluated and monitored at both an organisational (top-down) and operational (bottom up) level.

## Risk Appetite Statement

## GUIDELINE

Council has ultimate accountability for this process. The Enterprise Risk discussed and reported at the Audit Risk and Improvement Committee on a quarterly basis.

### Risk Appetite

Overall, Council has a balanced approach to its risk appetite aligned to its strategic objectives. Council's approach to risk appetite is to minimise our exposure to risks to our people and their safety, our reputation and corporate governance whilst accepting and encouraging an increased degree of risk in pursuit of our key strategic directives.

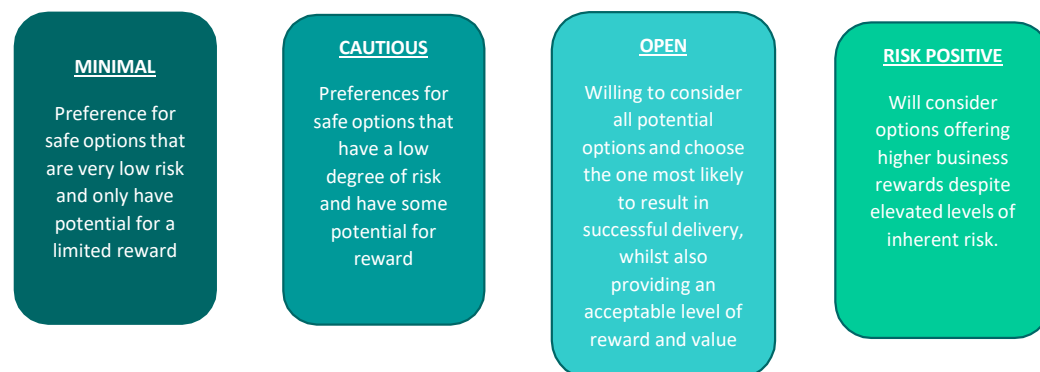
The key challenges in achieving this balance are to ensure:

- ethical and effective governance practices including responsible stewardship of resources.
- realisation of opportunities and allowing growth, transformation and innovation while avoiding unnecessary negative impacts
- avoidance of a risk averse culture which stifles growth, transformation and innovation rather than supporting it through the correct assessment and management of risks.

Council may at times undertake activities that inherently carry higher risks. As a result, Council's risk appetite in a particular risk category may on occasion be different to the risk level of particular activity or project within that category. The Risk Management Plan will detail requirements for identifying and managing risks at activity or project level.

### Risk Appetite Ratings

Council categorises its level of risk appetite into four categories as can be seen below:



**NOTE:** For specific projects, topics or components of Council's wider strategic risks Council may take a zero-tolerance approach to risk, however at the Strategic Risk level, 'minimal' is the lowest level of risk appetite.

### Risk Tolerances

Risk tolerances are the boundaries set for risk taking. The risk appetite statement informs the development of risk tolerances for Council and provides guidance on how the Risk Appetite Statement is to be applied to everyday business actions and decisions.

While risk appetite is qualitative, risk tolerances operationalise the statement by using quantitative measures where possible to better enable monitoring and review.



**Risk Appetite Statement****GUIDELINE**

The Risk Appetite will set the tone for risk taking in general, whilst the tolerance informs:

- Expectations for mitigating, accepting and pursuing certain types of risk.
- Boundaries and thresholds for acceptable risk taking.
- Actions to be taken or consequences for acting beyond appropriate tolerances.

**Implementation of the Risk Appetite Statement**

Council's appetite for and tolerance of risk as outlined in this Risk Appetite Statement (RAS) forms the basis of our approach to managing risk in our day-to-day activities. The RAS informs the Enterprise Risk Management Policy and Framework which provide the structure for our risk management processes.

Staff are responsible for managing their risk environment. This includes having appropriate controls in place and monitoring the effectiveness of these controls. Risks are identified, assessed and managed at both enterprise level ('top-down') and at operational level ('bottom-up'). Risk registers are used to document the risks. Risks outside the appetite or agreed tolerance levels should be managed in line with this RAS and should be reported to the Executive Management Committee. The Executive Management Committee is accountable for compliance with this RAS. Risk appetite also needs to be articulated clearly at Council meetings and at the Audit Risk and Improvement Committee meetings.

**Risk Assessments**

The Customer and Business Integrity Division maintains a register of Strategic Risks that Council faces in its day-to-day operations and the control framework which is in place to mitigate risks. These Registers consider risks from within Council and external sources and are reviewed regularly. Risk Registers are also updated where necessary when there are key changes in policies, structures or functions and in response to incidents.

All risks which are judged as unacceptable at Divisional level are reported to the Audit, Risk and Improvement Committee and remedial action plans to reduce these risks to acceptable levels are reported, where appropriate, to the Executive Management Committee.

Divisions are required to manage their specific operational risks in a manner which is consistent with this Statement, and to manage and address any risks outside appetite or agreed tolerance levels. Departmental risk appetite settings in their Risk Registers for groups of risks with a similar nature must also be consistent with this Statement.

**Review**

This Risk Appetite Statement is reviewed on a continuous basis to consider and adapt to changes in the Council's operating environment. This review is coordinated by the Governance and Risk Manager. Changes to the Risk Appetite Statement must be approved by the Executive Management Committee and are presented to the ARIC for review and comment before being provided to Council for endorsement. The Risk Appetite Statement is to be presented to Council for review and endorsement at least once a Council Term.

## Risk Appetite Statement

## GUIDELINE

### Wollongong City Council's Risk Appetite Statement

Below are the risk appetites and tolerance levels determined for Wollongong City Council's Strategic Risks. Our risk appetite and our risk management framework support our decision making and ensures Council makes appropriate and informed decisions.

Strategic Risk	Context	Risk Appetite Rating	Risk Tolerance Levels	
			Council will tolerate	Council will not tolerate
<b>Service Delivery</b>	<p><i>Council delivers a range of community services, events and facilities which contribute to our City.</i></p> <p><i>Council is open to creativity and innovation and is willing to take some level of risk to deliver efficiencies, enhance capabilities and provide a service to be proud of to our community.</i></p> <p><i>Council is open to taking moderate risk to enhance service delivery.</i></p>	<b>Open</b>	<ul style="list-style-type: none"> <li>• Unforeseen interruptions of up to 2 days to critical business functions from uncontrollable events where Council responds and communicates promptly to impacted stakeholders.</li> <li>• Unforeseen interruptions of up to 7 days for non-critical business functions from uncontrollable events where Council responds and communicates promptly to impacted stakeholders.</li> <li>• Moderate reputational impact from community complaints relating to service quality or new initiatives to deliver enduring benefits to our community.</li> <li>• Moderate impacts to service delivery due to implementation of new technology, innovation initiatives or projects.</li> <li>• Moderate impacts arising from innovations and ideas that contribute and encourage creating a flexible workforce.</li> </ul>	<ul style="list-style-type: none"> <li>• Significant failure in meeting our service commitments and community expectations.</li> <li>• Failure to demonstrate a commitment to delivering quality services to our Community, Councillors, Customers and Employees.</li> <li>• Failure to document and follow policies and procedures that impairs the quality-of-service delivery or results in service interruptions.</li> <li>• Failure to develop plans to respond to a disruption and ensure continuity of critical business functions.</li> <li>• Failure to escalate a critical business function outage within 2 hours.</li> <li>• Unreasonable conduct of customers towards our staff and/or other customers.</li> </ul>
<b>Brand and Reputation</b>	<p><i>Council recognises the importance of protecting its brand and reputation and will work strongly to generate a positive image of Council.</i></p>	<b>Cautious</b>	<ul style="list-style-type: none"> <li>• Moderate adverse local media and social media scrutiny or a number of complaints relating to action which delivers longer term benefits to the community.</li> </ul>	<ul style="list-style-type: none"> <li>• Improper, unethical, corrupt, unprofessional behaviour or failure to exercise respect and duty of care in accordance with our Council values and policies.</li> <li>• Material breaches of the Code of Conduct.</li> </ul>

Risk Appetite Statement			GUIDELINE
	<p><i>Council does however understand that negative publicity may occur where there are competing priorities and interests in the Community.</i></p> <p><i>Council has a cautious appetite for significant impacts on Council's reputation.</i></p>		<ul style="list-style-type: none"> <li>Isolated minor incidents, concerns and complaints that can be resolved by management.</li> <li>Failure to uphold the probity of council decision-making.</li> <li>Any failure to avoid or appropriately manage conflicts of interest.</li> <li>Failure to act in a fair, honest, transparent, and accountable manner.</li> <li>Decision-making that is not open, honest and transparent and reflects the long-term interests of the community.</li> <li>Failure to notify Executive of significant incidents that may impact Council reputation in less than 24hrs of the incident occurring.</li> <li>Complaints that are not responded to in a prompt and professional manner within 10 days.</li> </ul>
<b>Climate Change</b>	<p><i>Council recognises the urgent need to respond to the impacts of Climate Change.</i></p> <p><i>Whilst we do not want to see climate change impacts, we will take innovation and project risks to achieve our desired climate change objectives.</i></p> <p><i>Council is committed to addressing the climate emergency and recognising our responsibility to support residents and local businesses, in a whole of community approach to reducing emissions in Wollongong.</i></p>	Open	<ul style="list-style-type: none"> <li>Changes to procedures and practices to reduce emissions from general council operations.</li> <li>Increased cost impacts in the selection of products and services that provide a demonstrated lower emissions profile than traditional alternatives.</li> <li>Minor impacts on resourcing for programs and projects that assist community organisations, and the wider community achieve emission reductions.</li> <li>Embrace new or emerging technologies to assist Council in achieving its climate objectives.</li> <li>Will accept some risks to product or project failure if a pre-determined decision is made for the early adoption of innovative products or techniques.</li> <li>Seek grant opportunities or community partnerships to expedite implementation of Council's climate initiatives.</li> <li>Decisions that do not appropriately allow for, or directly impede the ability of, Council to meet its emissions reduction targets.</li> <li>Procurement of fossil fuel internal combustion engine vehicles if an alternative fuel vehicle or electric vehicle is available at a similar cost across the lifecycle of the vehicle.</li> <li>Decisions, activities and practices that result in negative climate impacts unless there is no viable or appropriate alternative action.</li> <li>Failure to plan for emissions reduction, in accordance with the publicly stated targets for the organisation.</li> </ul>



Risk Appetite Statement			GUIDELINE
<b>Compliance</b>	<p><i>Council is committed to good governance and meeting legislated and regulatory requirements in a consistent and fair manner.</i></p> <p><i>Council has minimal appetite for significant breaches of legal obligations or contractual agreements that result in fines, penalties or reputational damage.</i></p> <p><i>Council will seek innovative approaches to governance practices subject to compliance with legislation and protection of our interests.</i></p>	<b>Minimal</b>	<ul style="list-style-type: none"> <li>• Decisions that are not in line with professional advice, subject to being merit-based decisions in accordance with Council values.</li> <li>• Minor technical breaches that have been considered by Council.</li> <li>• Temporary non-compliance due to unrealistic regulatory timeframes.</li> <li>• Risks which may give rise to isolated complaints that are incidental to normal business activities despite best efforts to avoid or mitigate.</li> <li>• Streamlined governance processes relative to level of identified risk, subject to effective controls remaining in place.</li> </ul>
<b>Cyber Security</b>	<p><i>Our digital assets (including information) are vital in maintaining our business practices and therefore Council has a cautious approach to safeguarding from both external and internal threats, misuse, modification and unintended damage.</i></p> <p><i>Council's aim is to protect our ICT systems, services and information held. We will be successful through the application of appropriate</i></p>	<b>Cautious</b>	<ul style="list-style-type: none"> <li>• Corrupt or fraudulent conduct by staff, councillors or contractors.</li> <li>• Unreasonable delays when reporting, investigating or correcting any fraudulent, improper, unethical or corrupt conduct.</li> <li>• Any instances where Council Officials knowingly break the law, fail to comply with legal obligations or recklessly breach internal policies.</li> <li>• Material breaches of legislation or the Code of Conduct.</li> <li>• Failure to consider expert / professional legal advice.</li> <li>• Unauthorised release of confidential information.</li> <li>• Any behaviour which could give rise to extensive litigation and indictable offences.</li> <li>• Failure to comply with Government directions or orders.</li> </ul>
			<ul style="list-style-type: none"> <li>• Some cyber threats which if they were successful would have a minor or limited impact upon Council's business because they do not compromise, or have a limited consequence, to the integrity, confidentiality or availability Council information or assets.</li> <li>• Timely remediation of identified cyber security control weaknesses.</li> <li>• Scheduled outages that are agreed to by the business owners and are regarded as part of normal business activities.</li> <li>• Taking systems off-line temporarily to prevent imminent or current cyber-attacks.</li> </ul>
			<ul style="list-style-type: none"> <li>• Cybersecurity threats that could have been prevented through judicious application of technical and behavioural controls.</li> <li>• An unprepared response in the event of an external cyber-attack.</li> <li>• Significant threats to assets arising from external malicious attacks.</li> <li>• Misuse, inappropriate distribution or loss of sensitive or confidential council information due to the actions of staff.</li> <li>• Prolonged unplanned outages (caused by cyber security control issues) of critical Council systems and services.</li> </ul>

Risk Appetite Statement			GUIDELINE
	<i>internal controls, a cyber aware workforce, effective governance, timely remediation of identified control weaknesses, persistent review of the external threat landscape and consistent management of our third-party providers.</i>		<ul style="list-style-type: none"> <li>• Prioritisation of cyber security resources and efforts towards protection of the Council's "Crown Jewels."</li> <li>• Failure to maintain cyber security control systems and services which adequately protect Councils data and information.</li> <li>• Failure to maintain adequate audit trails.</li> <li>• A lack of diligence in relation to procurement and implementation of cyber systems and services.</li> <li>• Data loss due to inappropriate data loss protection practices and processes.</li> <li>• Failure to adhere to information governance processes.</li> <li>• Failure to maintain a cyber incident response plan and test the plan on a regular basis.</li> </ul>
<b>Environment</b>	<p><i>Council recognises the importance of conserving and enhancing our environment and understands that sustainability considerations in all council decisions is important.</i></p> <p><i>Council has a cautious appetite for environmental impacts arising from normal business activities, however, is open to innovative practices for the betterment of the environment.</i></p>	<b>Cautious</b>	<ul style="list-style-type: none"> <li>• Environmental impacts offset by other conservation or mitigation activity resulting in a net environmental benefit.</li> <li>• Minor environmental impacts from uncontrollable or unforeseen events or in order to deliver enduring benefits to our community well into the future.</li> <li>• Changes to procedures and practices to accommodate improved environmental outcomes.</li> <li>• Increased cost impacts in the selection of products, services that have a significant positive impact on the environment.</li> <li>• Minor and short-term negative community reactions to development assessment and land use planning decisions of Council.</li> <li>• Decisions that do not appropriately consider the principles of ecologically sustainable development or the Council value of Sustainability.</li> <li>• Council activities that do not follow established proper processes, and in turn damage cultural or Aboriginal heritage items or environments.</li> <li>• Failure to minimise significant impacts on biodiversity and reduce our ecological footprint.</li> <li>• Decisions, activities and practices that result in long term or irrevocable environmental damage or negative climate impacts, threatens biodiversity, including extinction of flora and fauna, or is hazardous to human life.</li> <li>• Activities and practices that knowingly compromise the environment, are reasonably foreseeable and preventable.</li> <li>• Failure to meet environmental commitments, conditions or legal requirements resulting in EPA fines or penalties.</li> <li>• Failure to have environmental pollution response plans in place.</li> </ul>

Risk Appetite Statement			GUIDELINE
<b>Financial Security</b>	<p><i>Council recognises the financial risks involved in delivering a wide range of services, programs and capital projects.</i></p> <p><i>Council has a cautious appetite for variation in financial performance as long as long-term financial sustainability is not threatened.</i></p> <p><i>Council recognises the opportunity to build a dynamic and sustainable organisation by maximising existing income and generation of sustainable new income streams.</i></p>	<b>Cautious</b>	<ul style="list-style-type: none"> <li>• Minor unforeseen and unavoidable budget variations within stated parameters for divisional budgets.</li> <li>• Minor unforeseen and unavoidable cost variations in capital projects within the established contingency allocated to each project.</li> <li>• Short Term (less than 12 months) negative performance from commercial business aspects if core services are not affected.</li> <li>• Minor losses, or capital outlays, attributable to new processes or innovation to improve services to meet community needs.</li> <li>• Calculated financial risks to deliver infrastructure, improve service delivery or promote ecological sustainability.</li> <li>• Council will take a more "open" approach to risks associated with investment decisions relating to the commercial property development strategy.</li> <li>• Minor cost impacts of the implementation of weighted scoring in procurement to benefit local competent suppliers.</li> <li>• Capital expenditure budget delivered within stated parameters.</li> </ul>
	<p><i>Council is committed to an operating environment that is resistant to fraud and corruption and is dedicated to implementing effective measures to minimise fraud and corruption risks.</i></p>		<ul style="list-style-type: none"> <li>• Financial activities and/or investment practices that contravene legislated or policy requirements.</li> <li>• Failure to maintain or implement effective systems, processes and controls which adequately protect Council from fraudulent activity.</li> <li>• Significant lack of relevant financial and commercial acumen in key financial and senior management roles.</li> <li>• Fraudulent or corrupt financial transactions.</li> <li>• Actions that have a significant negative impact on long term financial sustainability.</li> <li>• Available funds below target over a five-year period.</li> <li>• A three-year average operating deficit.</li> </ul>
			<ul style="list-style-type: none"> <li>• Minor unforeseen and unavoidable budget variations within stated parameters for divisional budgets.</li> <li>• Minor unforeseen and unavoidable cost variations in capital projects within the established contingency allocated to each project.</li> <li>• Short Term (less than 12 months) negative performance from commercial business aspects if core services are not affected.</li> <li>• Minor losses, or capital outlays, attributable to new processes or innovation to improve services to meet community needs.</li> <li>• Calculated financial risks to deliver infrastructure, improve service delivery or promote ecological sustainability.</li> <li>• Council will take a more "open" approach to risks associated with investment decisions relating to the commercial property development strategy.</li> <li>• Minor cost impacts of the implementation of weighted scoring in procurement to benefit local competent suppliers.</li> <li>• Capital expenditure budget delivered within stated parameters.</li> </ul>
			<ul style="list-style-type: none"> <li>• Failure of Councillors or staff to declare known personal interests, or known interests of those associated with them, in a matter they are required to make a decision about.</li> <li>• Acceptance of gifts, benefits or hospitality in contravention of Part 6 of the Code of Conduct.</li> </ul>

Risk Appetite Statement			GUIDELINE
<b>Fraud and Corruption</b>	<i>Council does not tolerate fraudulent or corrupt behaviour and will take appropriate action against employees and contractors who have participated in such behaviour, and those who allowed it to occur.</i>	<b>Minimal</b>	<ul style="list-style-type: none"> <li>Acceptance of gifts and benefits in accordance with Part 6 of the Code of Conduct</li> <li>Acceptance by Councillors or staff of any inducement or benefit aimed at influencing their official duties.</li> <li>Manipulation, exploitation or inappropriate application of administration processes (e.g. procurement, recruitment, application approval) for the benefit of the council official or any other person.</li> <li>Unauthorised access or misuse of Council technology systems, software and cloud service</li> <li>Unauthorised release of information and/or data held by Council relating to Council, customers, residents, suppliers or any other party.</li> <li>Knowingly including false information or misrepresent facts in a Council record or a report to a statutory authority or oversight agency.</li> <li>Establishing without approval, false or illegitimate employee or supplier records in council systems.</li> </ul>
<b>Procurement and Contracts</b>	<p><i>Council is aware that procurement activities are a function that is high risk in terms of corruption and therefore Council implements strict oversight and defined processes.</i></p> <p><i>Council is committed to providing a procurement function that manages risk and ensures that acquisition planning and supplier evaluation is clearly linked to Council's strategic directions; and supported by efficient and</i></p>	<b>Cautious</b>	<ul style="list-style-type: none"> <li>Minor cost impacts arising from implementation of weighted scoring in procurement to benefit competent local suppliers and social procurement and/or promotion of a circular economy.</li> <li>Elevated risk profiles from participating in unsolicited proposals, subject to strict adherence with the Unsolicited Proposal Policy.</li> <li>Occasional deviations from processes in the Procurement Framework where an approved exemption from process would achieve best value for Council.</li> <li>Minor cost impacts and/or elevated risk profile attributable to new processes or innovation to meet community needs,</li> <li>Failure of Councillors or staff to declare known personal interests, or known interests of those associated with them, in relation to a procurement they are involved in.</li> <li>Acceptance by Councillors or staff of any inducement or benefit aimed at influencing their official duties, particularly from current or prospective suppliers.</li> <li>Current or potential suppliers contacting and lobbying procurement panels or Councillors prior to a decision being made on a procurement.</li> <li>Staff authorising procurements/contracts outside the limits of their approved delegations.</li> </ul>

Risk Appetite Statement			GUIDELINE
	<i>effective contract management and evaluation.</i>		<p>provide better outcomes and increased value for money through the procurement and contract management process.</p> <ul style="list-style-type: none"> <li>Suppliers and/or staff order splitting or invoice splitting to avoid stricter probity and policy requirements at higher values of procurement.</li> <li>Failure to comply with OLG Capital Expenditure Guidelines for capital projects over \$10m.</li> <li>Failure to adequately manage and monitor contractors in accordance with the Contract Management Framework.</li> </ul>
<b>Safety of Our People</b>	<p><i>Council aims to create workplaces that have no work-related injuries.</i></p> <p><i>Council has minimal appetite for work practices, actions or inactions that compromise the wellbeing and safety of people including staff, councillors, contractors, volunteers and community.</i></p> <p><i>Council has a zero-tolerance approach to all forms of bullying and harassment and is committed to providing a safe, respectful and inclusive work environment that is free from any forms of intimidation or harassment.</i></p>	<b>Minimal</b>	<ul style="list-style-type: none"> <li>Minor unforeseen incidents or injuries that arise from time to time while undertaking normal activities.</li> <li>Employees terminating a customer interaction if their safety or wellbeing is placed at risk.</li> <li>Our employees applying "Stop and Take 5" when undertaking tasks and seeking further advice / guidance before proceeding if significant risks are identified</li> <li>Actions or behaviours that are deliberate and willingly contravene the Code of Conduct and WHS policies and procedures.</li> <li>Actions which do not align to WCC values of respect, sustainability, courage, integrity and one team.</li> <li>Practices that knowingly compromise staff wellbeing, workplace or community safety (including discrimination, harassment or bullying).</li> <li>Activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our community, customers, Councillors or employees.</li> <li>Events that occur arising from untrained (or uncertified) employees or failed internal processes.</li> <li>Unsafe infrastructure and work environments</li> <li>Failure to identify and respond to workplace psychosocial hazards.</li> <li>Failure to adequately address Council's positive duty obligations under the Sex Discrimination Act.</li> <li>Unreasonable conduct of customers towards our staff and/or other customers.</li> </ul>

Risk Appetite Statement			GUIDELINE
<b>Strategic Asset Management</b>	<p><i>Council is committed to continuous improvement in order to provide excellent infrastructure services that provide benefits to our community.</i></p> <p><i>Council is open to taking moderate levels of risk to enhance our City's assets and infrastructure.</i></p>	Open	<ul style="list-style-type: none"> <li>• Moderate financial and reputational impacts arising from the implementation of new of innovative technologies.</li> <li>• Impacts leading to short term disruption to community due to implementation of construction procedures which provide value for money provided community has been informed.</li> <li>• Increased short-term financial impact on costs of projects where there are demonstrated long term sustainable gains.</li> <li>• Moderate impacts to infrastructure due to implementation of new technology, innovation initiatives or projects.</li> <li>• Unforeseen interruptions of up to 2 days to critical infrastructure from uncontrollable events where Council responds and communicates promptly to impacted stakeholders.</li> <li>• Unforeseen and unavoidable cost variations in capital projects within the established contingency at both project and capital budget.</li> <li>• Accepting increased levels of contract risk on certain projects if significant cost efficiencies may be achieved as a result.</li> </ul> <ul style="list-style-type: none"> <li>• Activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our Community, Customers, Councillors or Employees.</li> <li>• Failure of third-party contractors to provide services within budget and agreed timeframes.</li> <li>• Non-completion of a significant portion of new or renewal infrastructure projects beyond financial year (or scheduled completion period if project runs across multiple years), or significant delays to projects due to issues within Council control.</li> <li>• Asset failure significantly earlier than the projected lifespan of the asset</li> <li>• Failure to administer and manage contracts appropriately.</li> <li>• Significant foreseeable variations in contract price due to aspects of the project within the control of Council</li> <li>• Failure to escalate critical infrastructure damage or issue within 2 hours of the relevant site being made safe.</li> <li>• Failure to develop plans to respond to a disruption and ensure continuity of operational infrastructure.</li> </ul>
<b>Workforce Resourcing and Capability</b>	<p><i>Council is committed to strategically identifying, allocating, managing and developing its workforce resources to support the efficient delivery of Council services.</i></p>	Open	<ul style="list-style-type: none"> <li>• Minor staff grievances that can be dealt with through normal internal mechanisms.</li> <li>• Minor morale and staff grievances due to change within the organisation due to innovation or change management processes leading to more efficient and effective outcomes.</li> </ul> <ul style="list-style-type: none"> <li>• Actions or behaviours by staff that are deliberate and willingly contravene the Code of Conduct and policies and procedures within the ethical framework.</li> <li>• Actions which do not align to WCC values of respect, sustainability, courage, integrity and one team.</li> <li>• Events that occur arising from inadequately trained employees or failed internal processes.</li> </ul>



Risk Appetite Statement			GUIDELINE	
			<ul style="list-style-type: none"> <li>• Minor inconsistencies in application of flexible / hybrid working arrangements to ensure most benefit can be achieved.</li> <li>• Increased levels of risk arising from the implementation of innovative recruitment and attraction practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to implement adequate business continuity plans resulting in the inability of the workforce to return to work as soon as possible after a business interruption event.</li> <li>• Failure to identify and implement a comprehensive employee experience framework.</li> </ul>

