



STATUTORY POLICY  
**MOUNT ISA CITY COUNCIL**  
**Risk Appetite Statement**

RESOLUTION NO. **OM04/09/25** VERSION **V2**

**APPLIES TO STATUTORY POLICIES ONLY**

This an official copy of the **Risk Appetite Statement**, made in accordance with the provisions of *Local Government Act 2009 and Local Government Regulation 2012*, AS ISO 31000:2018 Risk Management Guideline and current Council Policies.

Statutory Policies comply with a legislative requirement; the **Risk Appetite Statement** is approved by the Mount Isa City Council for the operations and procedures of Council.

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Tim Rose  
**Chief Executive Officer**

**DOCUMENT VERSION CONTROL**

Governance/Policies/Statutory Document ID# 722242			<b>POLICY TYPE</b>	Statutory (Council)
VERSION	DATE	RESOLUTION NO.	DETAILS	
V1	23.09.2020	OM29/09/20	<b>Responsible Officer</b> - Corporate Governance Coordinator	
V2	24.09.2025	OM04/09/25	<b>Responsible Officer</b> - Corporate Governance Coordinator	
			<b>REVIEW DUE</b>	09.2028

**DISTRIBUTION AND DISSEMINATION**

Internal email to all employees	<b>X</b>	Section meetings / Toolbox talks	
Internal email to all councillors	<b>X</b>	Included in employee inductions	
Employee noticeboards		Uploaded to Council website	<b>X</b>
Internal training to be provided		External training to be provided	
Registered in magiQ	<b>X</b>		

## 1. PURPOSE

The purpose of the risk appetite statement is to provide guidance on the acceptable level of residual risk Mount Isa City Council ("Council") is willing to accept in the identified risk categories. Council undertakes to make appropriate resources available to control strategic and operational risks to acceptable levels.

## 2. SCOPE

All aspects of Council's operations.

## 3. PURPOSE

Council has adopted the Local Government principles contained in the *Local Government Act 2009*, as well as a number of values related to better practice leadership to demonstrate its commitment to maintaining and further encouraging a high degree of integrity and accountable management in all aspects of its operations.

This Risk Appetite Statement provides an overarching attitude toward managing risk. In determining its risk appetite, Council will ensure that the desired risk appetite is achievable with the available resources. Strategic Plans and Operational Plans for all functional areas are required to be consistent with this Risk Appetite Statement.

## 4. OVERALL RISK APPETITE

- 4.1 Council recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities and therefore its overall risk appetite may change over time. Changes in risk appetite may be necessary due to a change of operating environments and factors including change in strategic leadership, resource availability and other external influences.
- 4.2 Council will employ sound enterprise risk management principles, transparent decision-making and effective communication processes to prioritise risk and review appetite levels as required.

## 5. DETERMINING RISK APPETITE LEVELS

### 5.1 Risk Appetite Criteria

Council considers a number of factors to determine its appetite for each Risk. This Risk Appetite Statement characterises Council's appetite for each Risk as set out in the table below:

Appetite Level	Description
Low Appetite (1-3)	<p>Preference for minimal / ultra-safe delivery options that have a negligible to low degree of inherent risk and correspondingly only limited potential for reward.</p> <p>All reasonably practical and affordable measures to minimise the risk must be taken. A strong preference for strategies and plans with minimal risk exposure.</p>
Moderate Appetite (4-6)	<p>Cautious or conservative approach with a preference for moderately safe delivery options that have a medium degree of inherent risk.</p> <p>Preferring risk mitigation to the rewards of taking risk. Safe approaches should be taken but the cost of implementing controls should be evaluated to ensure they achieve a worthwhile level of risk mitigations.</p>

Appetite Level	Description
High Appetite (7-9)	<p>Willingness to consider most potential delivery options including those with major inherent risks. The correspondent potential is for considerable reward if successful.</p> <p>Can accept a degree of uncertainty in order to achieve an intended outcome providing that reasonable steps are taken to mitigate any potential loss.</p>
Significant Appetite (10)	<p>Seeking out and eagerness to be innovative and to choose options offering potentially higher business rewards, despite major or event critical inherent risk.</p> <p>Willing for risks to be taken even if there is high uncertainty in order to gain highly valued reward/s. Focus is on achieving the reward/s but with due consideration of the non-negotiables</p>

## 5.2 Risk appetite by category

Risk Category	Appetite Rating	Appetite Descriptor
<p>Ethical Leadership and Behaviours</p> <p>Fraud and Corruption</p>	Low Appetite	<p>Council has Low Appetite for fraud or corruption risks perpetrated by its staff or Councillors. Council takes all allegations of suspected fraud or corruption very seriously and responds fully and fairly as set out in its Codes of Conduct.</p> <p>Has a ZERO tolerance for intentional and material breaches of Council's Values and Code of Conduct.</p> <p>Has a ZERO tolerance for unlawful discrimination based on gender, sexuality, ethnicity, culture, etc.</p> <p>Has a ZERO tolerance for violence, sexual misconduct, harassment, bullying, and any other inappropriate behaviour and activities that puts our Culture of Respect in jeopardy.</p> <p>ZERO tolerance for criminal breaches, fraud and corruption, misuse of office or similar related activities.</p>
Reputation and Political Risk	Low Appetite	<p>Council has a Low Appetite for any risk which would impact negatively upon Council's or individual councillors' reputation or 'brand' which could lead to undue adverse publicity or could lead to loss of confidence by the community and its customers.</p> <p>Council recognises that reputation is critical to our brand and community positioning and has a Low risk appetite for risk in any of its activities that puts our reputation and 'social licence to operate' in jeopardy; or could lead to loss</p>

Risk Category	Appetite Rating	Appetite Descriptor
		of confidence by the community, its customers and key stakeholders.
Governance, Legal and Compliance	Low Appetite	<p>Council has a Low Appetite for governance risks.</p> <p>Council has ZERO tolerance for intentional and material breaches of laws, regulations and professional standards.</p> <p>ZERO tolerance for risks relating to actions that may put critical operations and/or standards of operations in jeopardy.</p>
Community and Relationships	Low Appetite	Council has a Low Appetite for community and relationship risk.
Financial	Low Appetite	<p>Council seeks to maintain its long-term financial viability and its overall financial strength.</p> <p>Council's appetite for Financial risks is Low Appetite. Council will exercise prudent stewardship over its financial resources in fulfilment of its Vision. Council will maintain strong internal controls and ensure compliance with applicable governmental and accounting standards. Council acknowledges it cannot control or predict all external factors that may affect its financial resources, but it will make prudent decisions and implement appropriate controls to mitigate their financial impact. Council has the discretion to accept incremental risk, where necessary, following appropriate analysis.</p> <p>Has a Low Appetite for pursuing any strategy that puts at risk the financial sustainability of the Council over the medium to long term.</p> <p>Has a Low Appetite for application of capital that is not planned and executed in a sustainable and prudent manner.</p>
Environmental Responsibility	Moderate Appetite	Council's appetite for environmental responsibility is Moderate Appetite.
Critical Operations and Strategic Initiatives	Moderate Appetite	<p>Council's appetite for Strategic risk is Moderate Appetite.</p> <p>Council is committed to remaining a preeminent Council in North Western Queensland through effective and efficient execution of Council's mission and objectives. This requires ongoing development and innovation in its operations through strategic initiatives which often carrying varying degrees of Risk.</p>

Risk Category	Appetite Rating	Appetite Descriptor
		<p>Strategic objectives must closely align with Council's Mission, Vision and Core Values. Effective prioritisation, communication and execution of strategic priorities are essential. Actual or perceived inability to deliver strategic initiatives could have a significant impact on Council's ability to achieve its objectives as well as its reputation.</p> <p>Has a Low tolerance for insufficient prevention and preparedness by management to avoid or minimise major disruptions to critical operations.</p>
Occupational Health and Safety	Low Appetite	<p>Council's appetite for Occupational Health and Safety is Low Appetite.</p> <p>Aspires to ZERO harm and is open to innovation and prudent investment in strategies to protect the health and wellbeing of our staff and visitors with a focus on the elimination, and if not reasonably practicable to be eliminated, then minimisation of high risk hazards.</p> <p>Has ZERO tolerance for safety management standards or practices that put the health and safety of the community, our staff and visitors at risk.</p>

The Risk Appetite Statement is not an exhaustive list that addresses every eventuality but provides general guidelines. Management and employees are expected to be prudent and apply good judgement in interpreting the Risk Appetite Statement to make sensible, risk-based decisions in the best interest of the Council. External obligations, budget constraints and the impact of external influences must be considered to determine the optimal treatment plan to manage particular risk.

## 6. ROLES AND RESPONSIBILITIES

Council is responsible for the adoption, amendment and repeal of the Risk Appetite Statement and the Chief Executive Officer is responsible for the implementation of the statement in accordance with Council's Enterprise Risk Management Framework.

## 7. APPLICABLE LEGISLATION AND REGULATION

Under *Local Government Regulation 2012*, Council is required to keep a record of the risks the local government is exposed to and the control measures adopted to manage those risks (s164).

## 8. RELATED DOCUMENTS

Related documents are:

- Enterprise Risk Management Framework
- Enterprise Risk Management Policy
- Risk Management Procedures