



Risk Management Policy

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Foreword

Tiwi Land Council's ability to enable great outcomes is influenced by risks that can and do change all the time, often in ways that are unexpected. A risk is anything that makes it harder for the Land Council to maximise outcomes that reflect its purpose. Risks to its key stakeholders are also important to the Land Council.

Managing risks is an essential part of good governance. Consequently, the Land Council and its stakeholders need to be alert and responsive to risks, all of the time. This is especially so when we are about to make or implement key decisions.

Risk management is part of the job of every Land Council Member, Land Council staff member and Land Council stakeholder. We all need to contribute to risk conversations and to the work of managing risks that matter. It's not enough to avoid things that might go wrong. At times it is important to accept some risk in order to make better outcomes possible. This must be part of our internal culture and associated behaviours.

Tiwi Islands people have strong local cultures, traditions and heritage that may not be understood by others. These influence what is okay and what is not, as well as how risks are understood. For the Land Council to manage risk well, cultural awareness and respect are essential. Even good people with best intentions can find this challenging. It requires constant effort. Nothing is more important.

All Land Council staff and all Land Council Members need to be familiar with this Risk Policy and the associated Land Council Risk Management Plan.

Signed

Chairman
LESLIE TUNGATALUM
Accountable Authority
Tiwi Land Council

Chief Executive Officer
BRENDAN FERGUSON

Date: 24/7/2024



Risk Management Policy

1. Purpose

The aim of this policy is to enable consistent, effective risk management of all Tiwi Land Council (Land Council) functions, projects, activities and events. It does this by providing Land Council Members, staff and stakeholders with clear direction and guidance on Land Council's approach to the management of risk, especially in the context of decisions that involve uncertainty in outcomes.

2. Scope

Land Council managers, staff and contractors are required to apply this policy to all decisions taken in relation to Land Council functions, projects, activities and events.

It is also to be applied, as far as practicable, to external Tiwi projects or events endorsed, resourced or oversighted by the Land Council.

This policy is advisory for Land Council Members.

3. Definitions

Risk. *A risk is anything that makes it harder for the Land Council to get the best achievable outcomes for its purpose.* . This reflects a positive, value adding risk culture. To maximise success, decisions need to always seek positive, best possible outcomes, not just to avoid or manage things that could go wrong.

Source (cause) of risk. *A source or cause of risk is anything that could lead to reduced positive outcomes.* It may be something that may (or may not occur) or it could be an existing issue, challenge or opportunity. A single source of risk can have more than one flow-on impact on Land Council outcomes.

Impact (consequence) of risk. *An impact or consequence of risk is an outcome or output that is undesirable for the Land Council or its stakeholders.* A risk impact can have more than one contributing source or cause.

Risk Story. *A risk story describes a risk as a whole, including both source(s) and impact(s) in a way that helps Land Council managers decide how best to respond.* A risk story:

- can be simple and easy to understand, or it can involve multiple factors, issues and implications that are difficult to understand.
- can be more or less important to the Land Council and its success.
- can be strategic, operational, or systemic in nature (see the risk categories described below).
- can be told orally, in writing, in pictures, or as a risk map.

Risk Tolerance. *The term 'Risk Tolerance' refers to the level of risk that can be accepted (tolerated) in the Land Council, for a given risk or type of risk.* Understanding risk tolerance



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helps decision makers to determine whether taking a specific risk is allowable. It is an important element of good risk governance.

4. Policy Statement

Land Council risk management context

To maximise outcomes that matter to Tiwi while also complying with legislative and other external requirements, when making decisions the Land Council needs to identify, understand and to manage risks related to:

1. outcomes required by the Land Council's purpose and role, including:
 - health and safety of all Tiwi people and communities.
 - Tiwi land and sea heritage.
 - preservation of Tiwi culture.
 - the reputation of Tiwi Islands, its people, the Land Council and of key stakeholders.
 - meeting the Land Council's published strategies and goals.
 - the performance of Land Council funded or endorsed initiatives and projects.
2. compliance with Aboriginal Land Rights (NT) Act 1976 ("ALRA") and the Public Governance, Performance and Accountability Act 2013 ("PGPA Act"), associated regulations, directives from Government and the reasonable expectations of external stakeholders, including:
 - financial management and controls.
 - procurement processes.
 - strategic planning.
 - project management.
 - risk governance.
3. the organisational capabilities the Land Council needs for its future success, including appropriate:
 - people, roles and accountabilities structure.
 - internal risk culture and associated behaviours.
 - staff knowledge and skills for their roles, with emphasis on cultural awareness in the Tiwi context.
 - policies and processes.
 - audit, review and performance feedback strategies, processes and practices of all Land Council processes and controls, including the management of risks.

The Land Council represents the interests of Aboriginal people on the Tiwi Islands. Risks should be identified and managed in ways that reflect the views, directions and aspirations of the Land Council and of Tiwi Traditional Owners in general.



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The Land Council's approach to risk management

Given the context noted above, the Land Council deals with risk through a Risk Management Framework that is tailored to its needs and capabilities, as shown in Figure 1 below.

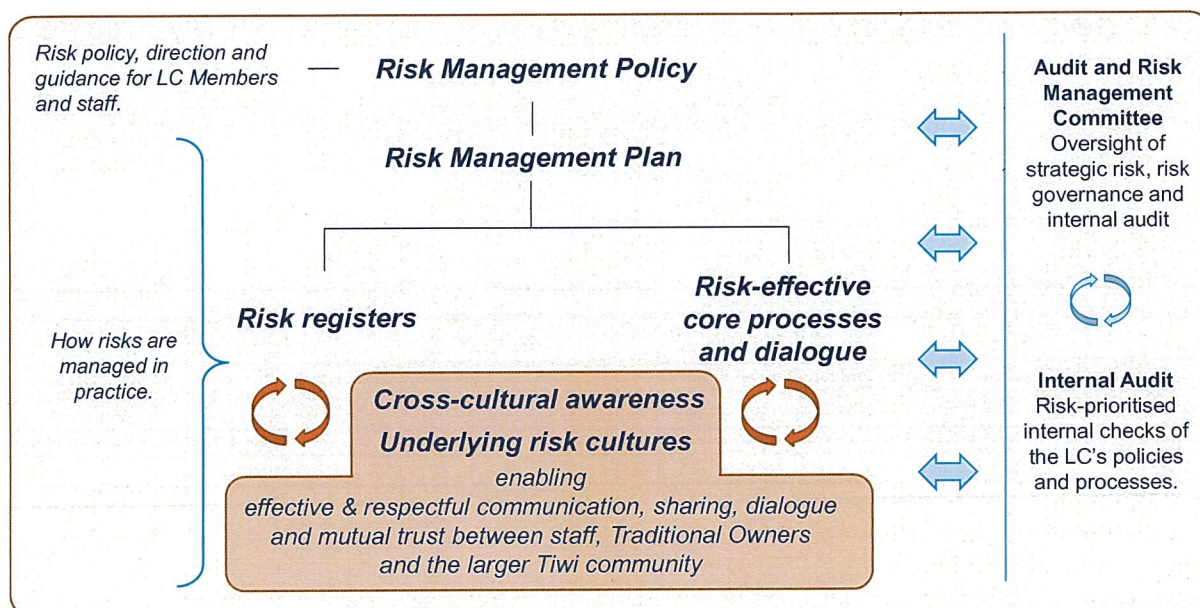


Figure 1: The Land Council Risk Management Framework

Central to the Land Council's approach to risk management is respectful, effective cross-cultural awareness - first and foremost of Tiwi culture but also of the attitudes and beliefs that underpin legislative expectations and requirements. The Land Council must operate in ways that recognise and deal well with both perspectives at the same time.

Enabling this, the Land Council's internal culture, key policies and processes must ensure and support effective risk conversations and shared understanding when making and implementing decisions. For this reason, a key part of the Risk Management Framework is to continually improve how the Land Council's policies and processes ensure effective dialogue with all stakeholders both separately and together.

It is also important to track and manage risks and issues that have been identified. The Land Council's risk registers enable risk review and reporting and support risk management conversations. They are intended to be simple and easy to use and hence are not where risks are managed. Risk owners are expected to incorporate risk management work into their meetings, conversations, plans and reports as appropriate. This ensures that risk management work is not done in isolation and that it can be both efficient and value-adding.

Governance oversight, feedback and review is part of the Risk Management Framework. It includes oversight by the Audit and Risk Management Committee (ARMC) as defined in their Charter and it links to Land Council internal audit activities. The Risk Management Plan will detail how the effectiveness of risk management will be monitored and reported by the



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Governance Risk and Compliance Officer.

Risk management categories

Risks to the Land Council can arise from many different causes (sources) and any single risk may have multiple different long and/or short-term impacts (consequences). In the Land Council risks are recorded and managed under four categories.

1. Strategic risks	<p>The Land Council's strategic risks are risks that must be owned, monitored and managed by the Land Council Accountable Authority. This may be because of the strategic implications, breadth or complexity of factors involved, or the level of resources and timeframes involved. External stakeholders are likely to be involved.</p> <p>Strategic risks can be big or small and they can be more or less important.</p> <p>In most cases, the Risk Owner will be the CEO, the Chair, or a Land Council Executive Manager under their direction.</p> <p><u><i>The CEO oversees the effectiveness of management of strategic risks in the Land Council.</i></u></p>
2. Operational Risks	<p>Operational risks are risks that can be understood, monitored and managed at a management or staff level. Although the Accountability Authority may be aware of these risks, they do not need to direct or to authorise management actions.</p> <p>Risk Owners can be anyone whose roles enables them to monitor, manage and report the risk effectively within their level of authority and accountability.</p> <p><u><i>The COO oversees the effectiveness of management of operational risks in the Land Council.</i></u></p>
3. Systemic Risks	<p>Systemic risks are risks arising from within the Land Council's business system(s) and how it works e.g. its culture, staffing, skills and knowledge, structures, policies, processes and controls.</p> <p>Systemic risks can be strategic risks or operational in nature. They are treated as a separate risk category because:</p> <ul style="list-style-type: none"> • they are often interlinked through the Land Council's internal culture and overall system of governance. They need to be worked on together. • they are powerful indicators of the Land Council's capability and hence whether it is likely to be successful in the future. • they are often identified in internal or external audits as non-



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	<p>compliances to external or internal requirements.</p> <p>Whether strategic or operational, systemic risks may be high profile and their management may require internal culture, policy or process changes, or changes to controls including internal audit.</p> <p>Consequently, each Risk Owner is likely to be the CEO or a senior Land Council manager.</p> <p><u>The Governance, Risk and Compliance Officer oversees the effectiveness of management of systemic risks.</u></p>
4. Whole-of-Tiwi Risks	<p>Whole-of-Tiwi risks are risks that are important and specific to Tiwi as a whole and that can influence the Land Council's work, but that cannot or should not be managed (or owned) by the Land Council. For the Land Council, the implications of each whole-of-Tiwi risk may be strategic, operational or systemic.</p> <p>Such risks are identified and recorded in a risk register so that stakeholders are aware of them and to enable the Land Council can play a constructive role, along with other Tiwi agencies and entities, in their management.</p> <p><u>The CEO monitors and directs the Land Council's responses to whole-of-Tiwi risks.</u></p>

Sensitive risks and issues. The Land Council faces some risks that are difficult or sensitive to speak about, write down or to manage openly. The Land Council Sensitive Risks and Issues Register is a separate document, managed to ensure appropriate privacy of sensitive information and implications. It will be visible to the Accountable Authority, to the Chair of the Audit and Risk Committee and to others on a need-to-know basis.

Complex Risks. Some risks are easily understood, especially after effective conversations with risk stakeholders. Other risks are complex and difficult to understand and hence to manage successfully. In such cases Land Council managers and staff can request assistance from the Governance, Risk and Compliance Officer.

Project Risks. Initiatives and projects that are endorsed or funded by the Land Council should be required to implement effective risk management. How risks will be managed and reported must be made clear, in writing, before approval is given.

Management of Whole-of-Tiwi Risks. Whole-of-Tiwi risk can only be managed collaboratively, with other entities and stakeholders. To make this possible, the Land Council will support, promote, and invest in regular collaborative engagement with other entities and agencies operating or impact on the Tiwi Islands.

Risk culture and expected risk management behaviours

The desired risk culture within the Land Council reflects a shared desire for openness, integrity, collaboration and stakeholder dialogue, supported by evidence and analysis whenever possible. Within the Land Council's culture, uncertainties (risks) should be accepted as normal and with a positive outlook. The shared attitude should be one of first



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seeking to understand and then to make decisions that enable the best overall outcomes for the Land Council objectives.

Managers and staff should use the following principles to guide their risk management work and risk management decisions:

- Decisions should aim to maximise outcomes including using opportunities and innovation to exceed planned targets and stakeholder expectations whenever that becomes possible.
- Each decision should be based on appropriate investigation, data and analysis supported by open and effective stakeholder dialogue.
- Decisions about risk must align with the Land Council's purpose and values and with one or more of its strategies and goals.
- As far as possible, we should always focus on dealing well with the underlying causes(s) of risks(s) rather than applying short-term band-aid solutions.
- Risk management decisions should aim to maximise benefits to the Land Council as a whole, not just one part, process or project.
- Risk registers are best used as agile, changing management records to help with ongoing Land Council work, rather than as controlled documents that are only checked or updated at set intervals.

Some risk management behaviours are always expected:

- Never allow people to be at health or safety risk. This applies to Tiwi Islanders, Land Council staff, all stakeholders and to the public in general. Taking, creating or allowing unnecessary or unauthorised risks to the physical or mental health or safety of people is never acceptable.
- Never simply ignore risks. Everybody associated with the Land Council has an obligation to ensure that risks including opportunities are acknowledged and appropriate decisions are taken to manage (or not to manage) that risk.
- Take managed risks when that is appropriate. The Land Council's environment is constantly changing and at times opportunities arise that involve taking risks. Taking managed, understood risks for good reason(s) is often essential to enable success.
- Acknowledge and manage risks arising from decisions and actions. Land Council decision makers must identify and acknowledge any flow-on implications including risks. This includes informing and assisting those who could be impacted.
- Look for and seek to understand new or emerging risks during business-as-usual activities and in relation to new initiatives, events and projects.
- Secrets and partial truths are not acceptable. Hiding or withholding information creates both direct and flow-on risks. Although courage is sometimes needed, openness and transparency are core elements of the Land Council's desired culture and behaviours.
- Accept ownership of risk(s). All Land Council staff will at times be the best person to be responsible for the management of specific risks.



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Governance of decisions about risk

Decisions almost always involve accepting a level of uncertainty (risk) in whether and how desired outcomes will be maximised. However, some types of risk (such as risks to health and safety) should almost always never be taken while others are more acceptable providing that they are understood and are appropriately managed.

To assist decision makers at all levels, Annex A defines levels of risk tolerance for the Land Council and the governance oversight required in each case.

Management of key vulnerabilities

In Annex A, key vulnerabilities for the Land Council are identified especially with regard to risks for which there is Zero Tolerance or Very Low Tolerance. Consequently, the Land Council must have specific policies, processes and controls in place specifically to deal effectively with risks of (or to):

- Fraud
- Unacceptable Workplace Health and Safety outcomes.
- Conflict of Interest (real and perceived).
- Loss of or damage to Indigenous knowledge held by the Land Council.
- Ineffective or improper Land Use Approvals processes.
- Bullying or other inappropriate workplace behaviours.

For each of these areas of vulnerability:

- A senior Land Council Manager must be accountable.
- Comprehensive policies, process and controls must be in place.
- The effectiveness of policies, processes and controls is to be an ongoing focus of internal audit and other management review activities within the Land Council.
- Effective training and education for Land Council staff is mandatory.
- Culturally appropriate education and training will be provided to Land Council members and staff not less than annually.

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Risk Management Plan

The Land Council Risk Management Implementation Plan (RMIP) defines how its Risk Policy will be implemented. It is provided as a separate document and specifies:

- risk management and reporting processes.
- when and how risks are reported and reviewed.
- engagement and collaboration in managing risks with other entities.



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- support provided to the work of the Audit and Risk Management Committee.
- integration of risk management with internal audit.
- useful risk tools and methods.
- risk management education and training.
- how the effectiveness of the Land Council Risk Management Framework and its implementation will be monitored and reported.

4. Roles and responsibilities

Land Council risk management roles and responsibilities include:

- **RMF Owner.** The CEO owns and authorises the Risk Management Framework, in consultation with the Chairman of the Land Council. The CEO has overall responsibility for the implementation of the framework and promoting a positive risk culture.
- **RMF Custodian.** The Governance Risk and Compliance Officer is the custodian of the RMF. They:
 - monitor and support implementation of the Risk Policy.
 - implement the Risk Management Plan.
 - report to the CEO on risk governance and risk management effectiveness.
 - support the risk work of the Audit and Risk Management Committee.
 - provide an advisory role to support the Accountable Authority in understanding Land Council's capability to manage risk in line with its risk profile.
- **Risk Owners.** Each risk in the Land Council risk registers is assigned to an appropriate risk owner, who ensures that that risk is understood and managed appropriately. Further details of the Risk Owner role will be defined in the RMP.
- **All Land Council managers.** All Land Council managers are required to:
 - read, understand and apply this Risk Policy and the supporting Risk Management Plan.
 - take a proactive role in managing risks, including taking managed risk.
 - facilitate risk conversations, promote a positive risk culture and embed risk management into the day-to-day decision-making process of their respective business units.
- **All staff.** All Land Council staff are required to:
 - read, understand and apply this Risk Policy and the supporting Risk Management Plan.
 - manage and escalate risks in their daily work.

Tiwi Land Council The Land Council provides overall direction and context for risk management work, through its approval of policies, strategies and plans.

Audit and Risk Committee. The Land Council's external Audit and Risk Management



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Committee (ARMC), advises the Accountable Authority on the Land Council's risk governance, controls, strategic and systemic risk management, financial management, governance and audit. Specific responsibilities of the ARMC are identified in Land Council Audit Committee Charter.

5. Related Documents

Legislation

- Risk Management Standard ISO 31000 (2018)
- Public Governance and Performance Accountability Act 2073

Policies and other related documents

- The Commonwealth Risk Management Policy
- Tiwi Land Council Risk Management Plan
- Tiwi Land Council Audit Committee Charter

Endorsement and Approval

Endorsed by:

Full Land Council on 30/5/2024

Approved by:

Brendan Ferguson
Chief Executive Officer

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Signature

Date: 24/7/2024

Leslie Tungatalum
Chairman

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Signature

Date: 24/07/24



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Appendix A: Governance of risk tolerances in Tiwi Land Council

Managing risks is part of all decisions – whether big or small, short term or long term. While it is important to minimise the risk of unacceptable outcomes, it is also important to take appropriate, managed risks when that creates an advantage for the Land Council or its stakeholders.

The Land Council as an organisation has greater tolerance for some kinds of risk that it has for others. Taking or accepting risks for which there is lower (less) tolerance requires:

1. stronger evidence-based justification before a decision is made.
2. approval by higher levels of management or the Council.
3. greater governance oversight of performance and risk during implementation of the decision.

Table 1 describes the Land Council's tolerance for different types and levels of risk and the associated requirements for governance and management controls. When making decisions, managers and staff should apply the guidance below. If uncertain or unclear, higher management advice should be sought.

Zero Tolerance

The Land Council has zero tolerance for:

- fraud or other illegal activity.
- deliberate non-compliance with Land Council Workplace Health and Safety policies and processes.
- loss of or damage to Indigenous data or knowledge held by the Land Council.
- ineffective or improper Land Use Approvals processes
- deliberate or persistent behaviours that cause (or could cause) cultural offence.
- intentional/known non-compliance to relevant legislation and or regulations.
- deliberate untruths related to the Land Council and its work.
- undisclosed conflicts of interest
- bullying or other inappropriate behaviours in the workplace.

Risk governance: *Zero Tolerance* risks, activities and behaviours:

- cannot be authorised or excused.
- must be proactively avoided and or prevented by all Land Council managers and staff.
- must as far as is practicable be prevented by the Land Council's policies, processes and culture.
- must be monitored, investigated and reported to the Accountable Authority.

Very Low Tolerance

The Land Council has very low tolerance for risks:

- to the health or safety of people, whether unintentional or otherwise.
- arising from behaviours that could cause unintended cultural offence.
- that could lead to permanent damage to Tiwi land, sea, fauna, flora or cultural heritage
- that could lead to wasteful or poorly managed use of Land Council resources.
- of unintentional non-compliance to relevant legislation and or regulations.



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Risk governance: *Very Low Tolerance* risks, activities or behaviours are acceptable only where they are both legally and socially acceptable and are specifically authorised by approved Land Council policy and process*. In other cases:

- prior written approval is required from the Land Council CEO and/or Chairman.
- there must be strong justification based on evidence of benefit to the Land Council or its stakeholders.
- the risk of undesirable outcomes must be minimised to the maximum extent practicable, even if this involves cost and effort.
- when applicable, the fully informed prior consent of Traditional Owners must be obtained.
- occurrences must be monitored, recorded and reported.

* Example:

An example of an authorised and acceptable Very Low Tolerance risk is driving a Land Council vehicle for work purposes. Driving a vehicle always involves some risk to the health and safety of the people involved, yet this is acceptable provided that the person has the required licence and associated skills, is authorised through Land Council processes, the vehicle is properly maintained, and they drive safely and within the law. It is a risk that is both legally and socially acceptable, when properly managed.

Moderate Tolerance

The Land Council has *Moderate Tolerance* for risks:

- of short term, recoverable damage to Tiwi land, sea, fauna, flora or culture heritage.
- that the Land Council may not fully meet approved strategic or operational goals/targets.
- project and event schedule delays.
- of recoverable (temporary) reputation damage to the Land Council and/or its stakeholders.
- of financial and budget risks, within the limits of the existing Land Council annual budget.

Risk governance: *Moderate Tolerance* risks, activities or behaviours can be acceptable within approved constraints and provided that:

- based on evidence, the potential positive value to the Land Council and its stakeholders is much higher than potential poor or negative outcomes.
- the potential worst-case impacts are manageable within the resources and authority of the Land Council.
- the decision, action or activity has the prior approval of the relevant manager(s) in Land Council.
- where applicable, there is prior informed approval by Traditional Owners.
- it is recorded and reported in the Land Council risk register.
- if the risk is part of a Land Council funded or authorised project or event:
 - it is identified as part of the business case for that project or activity.
 - it is recorded and reported in a managed project risk register.



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High Tolerance

The Land Council has *High Tolerance* for risks associate with:

- innovative approaches or actions that could fail but if they do (worst case) the relevant manager is able to manage the implications within existing resources and capabilities.
- new techniques for research, training and education provided these are endorsed by a recognised, qualified individual or organisation.
- internal initiatives that, even if they do not succeed, will not create reputational or other damage for the Land Council or its external stakeholders.

Risk governance: *High Tolerance* risks, activities or behaviours can be accepted by Managers. They may even be desirable, where they contribute strongly to the Land Council's strategy or goals. Governance requirements include:

- the decision maker must keep appropriate records of why and how the decision to accept the risk was taken.
- as appropriate, the prior informed consent of Traditional Owners must be obtained.

Table 1: Tiwi Land Council risk tolerance and associated governance requirements