



POLICY MANUAL

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| Policy title: | ENTERPRISE RISK MANAGEMENT POLICY |
| Policy number: | 1.11.12 |
| Objective: | To identify and control risks facing Council |
| Link to community vision/service: | Civic Leadership/Management |
| Program Area: | Corporate Services |
| Policy created: 10/9/13 | Council reviewed: 10/9/13 |
| Last reviewed by staff: 10/9/13 | TRIM Ref: ED12/26757 & ED16/27080 |

1. Background

Risk is defined as the effect of uncertainty on objectives.

Council understands that large, unmitigated risks can adversely impact its stakeholders and its ability to achieve strategic and operational objectives. Accordingly Council is committed to a systematic, proactive and enterprise wide approach to managing risk.

The application of risk management thinking, principles and practices aims to help Council deliver quality services, improve decision-making, set priorities for competing demands/resources, minimise the impact of adversity and loss, ensure regulatory compliance and support the achievement of objectives.

2. Scope

This policy applies to all councillors, managers, staff, contractors and volunteers across all Council activities and processes.

3. Policy Statement

3.1 Mandate and Commitment

Council is committed to the formal, systematic, structured and proactive management of risks across the organisation. This includes financial, reputational, safety, service delivery and environmental risks.

3.2 Risk Management Framework

Council's risk management framework is a set of components that provides the foundations and organisational arrangements for designing, implementing, monitoring reviewing and continually improving risk management throughout the organisation.

Council is committed to maintaining an effective, efficient and tailored risk management framework that consists of:

- this policy
- a risk management strategy
- supporting policies that complement risk management such as fraud prevention, business continuity management, project management and WH&S management systems.

The framework will enable:

- a formal, structured approach to risk management that is appropriate to Council's activities and operating environment; and
- a risk management approach consistent with the principles of AS/NZS ISO 31000:2009

3.3 Risk Appetite

Risk appetite is the amount of risk that an organisation wants to take and is willing to accept in pursuit of its objectives. Whilst risk appetite may vary depending on the importance and complexity of each objective that Council is pursuing and the particular strategies in place to achieve those objectives Council's risk appetite can be summarised as follows:

Council has little or no appetite for known and avoidable operational risks that might impact on the safety and wellbeing of staff and the community, security of Council and public assets, Council's reputation and service delivery. Council acknowledges that it will have to take some calculated risks in order to achieve its strategic objectives. However, in taking such risks Council must consider current financial and human capacity and the potential impact on longer term financial, environmental and social sustainability.

3.4 Implementing Risk Management

Council is committed to ensuring that a strong risk management culture exists and will develop and maintain a risk management strategy that:

- aligns risk management processes to existing planning and operational processes;
- allocates sufficient funding and resources to risk management activities;
- provides staff with appropriate training in risk management principles;
- assigns clear responsibilities to staff at all levels for managing risk;
- embeds key controls to manage risks into business processes;
- establishes appropriate mechanisms for measuring and reporting risk management performance;
- communicates risk management policies, plans and issues to staff and other stakeholders;
- takes human and cultural factors into account; and
- is dynamic, iterative and facilitates continual improvement

3.5 Accountabilities And Responsibilities For Managing Risk

Council is ultimately responsible for adopting and committing to this risk management policy, identifying and monitoring emerging risks and fully considering risk management issues contained in Council reports.

The General Manager with the assistance of EXCOM is responsible for leading the development of an enterprise risk management culture across the organisation and ensuring that the Risk Management Policy and Strategy are being effectively implemented.

Executive Managers are responsible for ensuring that the Risk Management Policy and Strategy are being effectively implemented within their areas of responsibility.

Managers at all levels, are the risk owners and are required to create an environment where the management of risk is accepted as the personal responsibility of all staff, volunteers and contractors. Managers are accountable for the implementation and maintenance of sound risk management processes and structures within their area of responsibility in conformity with Council's risk management framework.

The Corporate Compliance Coordinator is responsible for coordinating the processes for the management of risk throughout the organisation. This may include the provision of advice and service assistance to all areas on risk management matters.

All staff, contractors and volunteers are required to act at all times in a manner which does not place at risk the health and safety of themselves or any other person in the workplace. Staff are responsible and accountable for taking practical steps to minimise Council's exposure to risks in so far as is reasonably practicable within their area of activity and responsibility

4. Policy review

This Policy is subject to regular review at a maximum interval of four years.

5. Relevant References & Legislation

AS/NZS ISO 3100:2009