

# Policy

## Enterprise Risk Management

Responsible Manager (Title)	General Manager		
Adopted by Council	Date: TBA	Minute Number:	
File Reference Number	ECM: 2424100	Version 8.0	Review Due:
Document(s) this policy Supersedes	<del>V6.0 24/09/2019 – 6c.19.050</del> <b>V7 25/10/2022 07.22.034</b>		
Community Plan Linkage	<b>Leadership – We will have a strong, accountable and representative government</b>		

### 1 Purpose

The purpose of this policy is to demonstrate Council's commitment to implementing organisation-wide risk management principles, systems and processes that ensure the consistent, efficient and effective assessment of risk in all Council's planning, decision making and operational processes.

### 2 Definitions

Term	Meaning
<i>Control</i>	A measure that modifies (reduces) risk. Includes existing Council processes, procedures, policies, devices, practices or other actions that act to minimise risk.
<i>Council Official</i>	An individual who carries out public official functions on behalf of Council or acts in the capacity of a public official. For the purpose of this Policy, the Mayor, Councillors, employees, members of Council committees and delegates of Council are Council Officials.
<i>Enterprise Risk Management Framework</i>	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, <b>mitigating</b> , reviewing and continually improving risk management throughout the organisation.
<i>Risk</i>	Effect of uncertainty on objectives. (Note: effect is a deviation from the expected and may be positive and/or negative).
<i>Risk Appetite</i>	The amount of risk that the organisation is prepared to accept or be exposed to in the pursuit of its objectives
<i>Risk Management</i>	The coordinated activities to direct and control an organisation's risks.

Term	Meaning
<i>Risk Management Process</i>	Systematic application of management policies, procedures, and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.
<i>Risk Treatment</i>	Selection and implementation of an action or process identified to address or mitigate a risk.

### 3 Background/legislative requirements

Key risk management legislative requirements for NSW local government organisations are the:

- Local Government Act 1993 and Regulations; and
- Workplace Health and Safety Act 2011.

In addition to complying with all relevant legislation, regard is also given to all relevant standards and guidelines, including but not limited to:

- ISO 31000:2018 Risk management – Guidelines;
- TPP12-03 Risk Management Toolkit for the NSW Public Sector;
- TPP15-03 Internal Audit and Risk Management Policy for the NSW Public Sector;
- Office of Local Government Draft Risk Management and Internal Audit for local councils in NSW;
- Integrated Planning & Reporting Handbook and Guidelines for local government in NSW 2021; and
- any other relevant guidelines issued by the Office of Local Government.

Related Council documents:

- Enterprise Risk Management Plan
- Risk Register
- Risk Management templates and procedure
- Business Continuity Plan
- Code of Conduct
- Fraud and Corruption Control Policy/Plan
- Project Management Framework
- WHS Management System
- **Environmental Management System**

### 4 Policy statement

We are committed to the identification and management of all risks associated with the performance of Council functions and the delivery of services.

We recognise that the management of risk is integral to the achievement of the outcomes, strategies and actions as identified in the Community Strategic Plan, Delivery Program and Operational Plan.

We will adopt a structured enterprise risk management framework, which will ensure a flexible approach to the identification and management of all types of risk across Council.

It is expected that risks will be identified and managed prior to the risk impacting Council's objectives by completing risk registers and other forms of risk assessments.

We aim to ensure risk management is embedded in our culture and day-to-day operations by incorporating controls into policies and procedures.

We will be proactive in considering the lessons learnt from incidents and issues **within Council as well as other Councils and other organisations**. We will incorporate the **relevant** learnings to mitigate future occurrences **within Council**.

Our approach to risk management will include regular review, measurement, reporting, open communication and improvement as opportunities arise.

## 5 Roles and responsibilities

Council aims to create a positive risk management culture where risk management is integrated into all everyday activities and managing risks is an integral part of governance, good management practice and decision-making. It is the responsibility of every staff member and business area to observe and implement this policy and Council's risk management framework.

Position	Responsibility
<i>Audit Risk and Improvement Committee</i>	Review Council's: <ul style="list-style-type: none"> <li>– risk management processes and procedures</li> <li>– risk management strategies for major projects or undertakings</li> <li>– control environment and insurance arrangements</li> <li>– business continuity planning arrangements, and</li> <li>– fraud control plan.</li> </ul>
<i>Councillors</i>	Provide oversight of Council's enterprise risk management framework. Consider risks in all decision making to ensure alignment with Council's risk appetite statements.
<i>Executive Team</i>	Provide risk management leadership with ultimate responsibility and accountability for risk management. Support and drive the implementation of risk management throughout Council by approving the Enterprise Risk Management Plan. Manage high level strategic risks facing Council and embed this policy and related risk framework processes into their areas of responsibility.

Position	Responsibility
<i>Internal Audit officer</i>	<p>Provide risk based and quality assurance assessments on the operational systems and procedures.</p> <p>Identify opportunities for improvement of the Enterprise Risk Management Framework based on findings of internal and external audit activities.</p>
<p><i>Coordinator Governance and Risk</i></p> <p><i>Safety and Risk Coordinator</i></p>	<p>Maintain risk management capabilities appropriate to the needs of Council including designing, operating, embedding, maintaining and continually improving the risk management framework. Develop tools and templates and coordinate training to support the risk management framework.</p> <p>Develop, lead, manage and maintain effective risk management and business continuity frameworks, and a work health and safety system.</p> <p>Provide advice and support to staff in performing risk management functions.</p>
<i>Manager Organisational Development</i>	<p>Coordinate a link between enterprise risk management plan activities and Integrated Planning and Reporting documentation.</p> <p>Coordinate a link with ERM and Council's insurance requirements.</p>
<i>Managers</i>	<p>Ensure all staff manage the risks within their own work areas. Risks should be anticipated, and reasonable protective measures taken.</p> <p>Encourage openness and honesty in the reporting and escalation of risks.</p> <p>Ensure all staff have the appropriate capability to perform their risk management roles.</p> <p>Report to the General Manager on the status of risks and controls.</p> <p>Identify and communicate improvements in Council's risk management practices to the Coordinator <del>Safety</del> Governance and Risk.</p>
<i>Staff / Council Officials</i>	<p>Identify and manage risk within work areas.</p> <p>Familiarise self with, and understand, the principles of risk management.</p> <p>Comply with all policies, procedures and practices relating to risk management.</p> <p>Alert management to risks that exist within own work area.</p> <p>Perform any risk management activities assigned as part of daily role.</p>

## 6 Monitoring and Review

Council is committed to continually improving its ability to manage risk and will review this policy and its risk management framework at least annually to ensure it continues to meet the requirements of the Local Government Act 1993, Local Government (General) Regulation 2021, the Council's requirements **and the community expectation**.