

RISK MANAGEMENT POLICY

Policy Type:	Council Policy
Responsible Department:	Office of the Chief Executive Officer
Responsible Officer:	Principal Risk Management Officer
Related Policies and Procedures	<ul style="list-style-type: none"> • Risk Management Framework • Business Continuity Plan • Emergency Management Plan • Relevant WHS Policies and Procedures
Community Plan Link	Civic Leadership 4.1 we have strong leadership and governance 4.3 our business systems are effective and transparent
Date Adopted	24 May 2010, C664
Last review date	24 February 2020, C0189/20
Next review date	November 2021
Reference/Version Number	Version 6
ECM Doc set I.D.	2979377

1. PREAMBLE

- 1.1. Council will maintain a Risk Management Framework consistent with the International Standard ISO31000:2018 – Risk Management Guidelines, with the goal of providing a consistent approach to dealing with uncertainties likely to impact on the achievement of Council’s vision.

2. POLICY PURPOSE/OBJECTIVES

- 2.1. This Policy is intended to enable an integrated approach to risk management through:
- seeking a commitment to core risk management principles;
 - defining responsibilities for risk identification, assessment, evaluation and treatment programs across Council operations;
 - application of a Risk Management Framework that provides the tools and programmes to underpin Councils approach to achieving a balance between the costs of managing a risk and anticipated benefits;
 - ensuring a systematic approach is used to manage risks and that appropriate treatment and risk mitigation strategies are applied, reviewed and monitored;
 - developing and nurturing an organisational ethos and culture, which integrates risk management processes into management activities at strategic, project and operational levels;

- achieving Council's goals, objectives, targets and community expectations within an acceptable (tolerable) level of risk.

3. DEFINITIONS

Consequences: Outcome of an event affecting objectives.

Control: Measure that modifies a risk.

Event: Occurrence of a particular set of circumstances.

Risk: Effect of uncertainty on objectives; an effect is a deviation from the expected. It can be positive, negative or both and can address, create or result in opportunities and threats.

Risk Appetite: Amount and type of risk that Council is willing to pursue or retain. The City of Unley's risk appetite statement is outlined within the Risk Management Framework.

Risk Assessment: An overall process of risk identification, risk analysis and risk evaluation.

Risk Management: Coordinated activities to direct and control an organisation with regard to risk.

Risk Management Framework: Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management.

Risk Register: Register of all identified risks, their consequences, likelihood, rating and treatments.

Risk Tolerance: Council's readiness to bear the risk after risk treatment in order to achieve objectives.

Risk Treatment: a process of selecting and implementing additional controls/measures to further mitigate the risk - treatment can involve:

- Avoiding the risk by deciding not to start or continue with activity that gives rise to the risk
- Taking or increase risk in order to pursue an opportunity
- Removing the risk source
- Changing the likelihood by implementing additional controls

4. ROLES AND RESPONSIBILITIES

4.1. Council

- Endorse Council's Risk Management Policy.
- Ensure that risks are adequately considered when setting Council strategies and objectives.
- Understand the risks facing Council in pursuit of its objectives.
- Apply risk management principles to the decision-making process.

4.2. Audit Committee

- Review and recommend the endorsement of the Risk Management Policy.

- Ensure the risk management framework assigns authority, responsibility and accountability at appropriate levels within the organisation, is implemented and delivers a consistent approach to risk management.
- Review reports from management and auditors and monitor the implementation of effective enterprise risk and opportunity management through controls.
- Provide independent assurance regarding risk management processes.

4.3. **Chief Executive Officer**

- Ensure an effective risk management process is established, implemented and maintained and deliver a consistent approach to risk management.
- Promote a strong risk management culture by providing firm and visible support for risk management including ensuring appropriate delegations for the management of risk.
- Ensure that appropriate resources are allocated to managing risk.
- Ensure Managers have the necessary knowledge and skills to effectively fulfil their risk management responsibilities and are accountable for risks arising from the activities of their business areas.
- Regularly review Council's strategic and operational risks.

4.4. **Executive Management Team**

- Promote and support a proactive risk culture and the application of the Risk Management Policy and Framework.
- Monitor Council's overall risk profile and mitigation strategies ensuring that Risk Management is embedded into all critical functions and activities.
- Regularly review risks at all levels and ensure risk treatments are actioned.
- Include any risk treatments into business plans.

4.5. **Business Unit Leaders / Managers**

- Implement the Risk Management Policy and Framework within their respective areas of responsibility.
- Undertake the risk management process as per the requirements of the Policy and Framework.
- Record all operational risk information within Council's Risk Register.
- Empower staff to actively manage risk.

4.6. **Principal Risk Management Officer**

- Provide guidance and assistance to all staff in relation to the application of this framework and reporting within the Risk Register.
- Ensure relevant risk information is reported and escalated to the Executive Management Team or Audit Committee, or cascaded to staff, as relevant.
- Maintain the Risk Management Policy and Framework to ensure its currency and accuracy.
- Manage the Risk Register and timeframes as required.

4.7. **Project Managers / Coordinators**

- Implement risk management processes, including recognising, reporting and responding to new, changing and anticipated risks.

4.8. **Employees, Volunteers and Contractors**

- Identify, evaluate, report and manage risks in their daily activities and projects.

5. **POLICY STATEMENT**

- 5.1. Council is committed to developing, applying and maintaining governance and risk management principles to ensure that any impacts to the achievement of strategic and business objectives are considered and analysed.
- 5.2. Council will adopt and implement a systematic approach to identifying, assessing, evaluating and treating (mitigating) risks. The risk management program involves identifying opportunities to ensure Council achieves its strategic goals whilst recording and managing its operational risks.
- 5.3. Management will lead, actively participate in and have complete oversight of all aspects of risk management within their areas of responsibility.
- 5.4. The risk register(s) will be periodically reviewed in accordance with set timeframes identified within the Risk Management Framework.

6. **POLICY DELEGATIONS**

Nil applicable

7. **LEGISLATION**

- Section 125 of the *Local Government Act 1999* specifies that a Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient manner to achieve its objectives.
- Section 132A of the *Local Government Act 1999* requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- Section 134(4)(b) of the *Local Government Act 1999* requires Council to adopt risk management policies, controls and systems.
- Relevant *Work Health and Safety Act 2012, Regulations*, and approved Codes of Practice.

8. **AVAILABILITY OF POLICY**

- 8.1. The Policy is available for public inspection during normal office hours at:

The Civic Centre,
181 Unley Road, Unley SA 5061.

A copy may be purchased for a fee as determined annually by Council.

It is also available for viewing, download and printing free of charge from the Council's website www.unley.sa.gov.au.

9. **DOCUMENT HISTORY**

Date	Ref/Version No.	Comment
04/05/2010	Audit & Governance Comm 45/10	

24/05/2010	Council 644/10	
08/02/2011	Audit Comm 9/11	Was policy no. 025
28/02/2011	Council 70/11	
14/05/2012	CSP Comm 108/12	Was policy no. COU10
25/05/2012	Council 420/12	
10/05/2017	Audit & Governance Comm 56/17	
22/05/2017	Council 853/17	Policy number deleted
10/12/2019	AC0015/19	Alignment to ISO 31000:2018 Risk Management Guidelines
24/02/2020	Council C0189/20	