NAME OF POLICY:	Risk Management
POLICY MANUAL:	Governance

INTRODUCTION

The purpose of this Policy is to provide the framework for all staff in the management, identification, assessment and reporting of risk. The aim is not to eliminate risk, but to enable the Council to maximise opportunities and minimise adverse consequences.

The City of Norwood Payneham & St Peters supports a culture where staff at all levels, are encouraged to proactively manage and report all risks.

BACKGROUND

The City of Norwood Payneham & St Peters recognises that the effective management of risk is a fundamental component of good management and a key element of effective corporate governance. Accordingly, risk management is regarded as an integral part of the Council's operation and presents a challenge to not only manage risks, but to facilitate the development of opportunities. Through the adoption of a structured and systematic approach to risk management, the City of Norwood Payneham & St Peters seeks to improve its decision-making performance, transparency and accountability by effectively managing both potential opportunities and adverse effects in daily activities and operations.

The Council is committed to building an organisational culture where risk awareness and effective risk management, form an integral part of all Council activities and operations and is a core management capability and responsibility. Effective risk management requires:

a.   a strategic focus;
b.   forward thinking and proactive approaches to management;
c.   balancing the cost of managing risks with the anticipated benefits; and
d.   contingency planning for the critical threats.

Risk is often characterised by reference to potential events and consequences, or a combination of these. It may be expressed in terms of a combination of the consequences of an event and the associated likelihood of occurrence.

PURPOSE

The purpose of this Policy is to enable an integrated approach to risk management through:

a. the Council's commitment to core risk management principles.
b. defining responsibilities for the application of risk identification, assessment, evaluation and treatment programs across Council operations.
c. a Risk Management Framework ("the Framework") that provides the tools and programmes to underpin Council's approach to achieving a balance between the costs of managing a risk and the anticipated benefits.

POLICY STATEMENT

The Council is committed to maintaining and applying governance and risk management principles to ensure that any impacts to strategic and business objectives are considered and analysed.

The management of risk will be integrated into the Council's governance structures, including decision making. Risk Management leads to the successful achievement of the Council's Vision, Strategic Plan Objectives as contained in *City Plan 2030: Shaping our Future*, and community expectations.

To achieve the objectives of the Policy, the Council has developed a supporting Risk Management Framework (the "Framework") which is detailed in the <u>Council's Risk Management Procedure</u>.

The Council will maintain the Framework consistent with the guidelines and principles of risk management, as set out in the International Standard ISO31000:2018 – *Risk Management Guidelines*, with the objective of providing a consistent approach for dealing with uncertainties likely to impact on the achievement of Councils Vision and strategic direction.

The Council will adopt and implement a systematic approach to identify, assess, evaluate and treat (mitigate) risks. The risk management program will involve identifying opportunities to ensure the Council achieves its strategic goals whilst recording and managing its operational risks. Management will lead, actively participate and have complete oversight over all aspects of risk management within their areas of responsibility.

The Council will maintain risk register(s), which will periodically and consistently be reviewed in accordance with set timeframes identified in the Framework.

The Council will adopt a co-ordinated and systematic approach to risk which sees each Department applying the same risk management principles, with some minor variations which reflect the varying tasks and nature of each functional area.

RESPONSIBILITIES

Chief Executive Officer

The Chief Executive Officer has the ultimate responsibility for ensuring that risk is managed across the organisation.

The Chief Executive Officer is the senior executive responsible for overseeing the development, facilitation and implementation of a risk management culture, framework, strategy, corporate program (including training and awareness) and monitoring corporate risk management performance. The Chief Executive Officer, in consultation with the General Managers, is responsible for monitoring the corporate implementation of the Risk Management Policy.

Executive Leadership Team

The Executive Leadership Team (ELT) are responsible for the risk management performance of their particular areas of responsibility, and in particular they are to:

a. commit to the promotion and awareness of this Policy, and the supporting framework/procedure, whilst monitoring the Council's overall risk profile and controls;
b. report on the status of the Council's risk profile and mitigation strategies to the Audit Committee;
c. implement, manage and evaluate risk management, in accordance with the Policy and Framework within their areas of responsibility;
d. undertake the risk management program as per the requirements of the Policy and Framework; and
e. ensure that risk based information is recorded in Council's Risk Register.

Audit Committee

The Audit Committee is responsible for checking 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 and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets, and to secure (as far as possible) the accuracy and reliability of Council records.

Managers / Supervisors

Each Manager is accountable for implementing the risk management policy through appropriate actions in their area of responsibility. This includes ensuring that the overall risk profiles for the respective Department are entered by staff into the corporate Risk Register are reviewed, updated and approved as required.   Managers are also required to:

a.   regularly review exposure to all forms of risk and reduce risks as low as reasonably practicable;
b.   apply robust risk management processes to all business activities;
c.   regularly review the risks faced, or likely to be faced, by their respective area as a result of its operations and of the environment in which the Council operates;
d.   identify cost effective risk treatment options; and
e.   regularly review the key risk controls to ensure that they remain relevant, robust and effective.

Manager, WHS & Risk

The Manager, WHS & Risk is responsible for:

a.   assisting the Executive Leadership Team to develop, implement and maintain the Risk Management Framework and program in a systematic and standardised manner;
b.   development and maintenance of a Risk Register(s) that records reasonably foreseeable Operational and Strategic risks, including risk mitigation strategies; and
c.   assisting the Executive Leadership Team in development and compilation of reports relating to Council's risk profile and mitigation strategies.

Employees, Volunteers and Contractors (Workers)

All Council workers (employees, contractors, service providers and Volunteers) are responsible for:

a.   identifying, evaluating and managing risks in their daily activities and projects; and
b.   adhering to the requirements of Council's Risk Management Policy and Framework.

DEFINITIONS

For the purpose of this Policy, and to align with the relevant Standards, the Council's Risk Management Framework uses set definitions to ensure that when risk is discussed at any level, the same meaning is applied. Common definitions used throughout the Council's Risk Management Framework are listed at Annex A to the Council's Risk Management Procedure.

PRINCIPLES OF MANAGING RISK

For risk management to be effective, the Council recognises that it must comply with the principles outlined in International Standard ISO31000:2018 – *Risk Management Guidelines* as at Attachment 1.

REVIEW PROCESS

The Council will review this Policy within three years.

INFORMATION

This Policy should be read in conjunction with the Council's Risk Management Procedure.

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council's Manager, WHS & Risk, telephone 8366 4518.

ADOPTION OF THE POLICY

This Policy was adopted by the Council on 6 September 2010.
This Policy was endorsed by the Audit Committee on 23 July 2018.
This Policy was reviewed by Council on 6 August 2018.
This Policy was reviewed by the Council on 6 October 2020.

TO BE REVIEWED

September 2023

Principles of Managing Risk

Creates Value

Risk management contributes to the achievement of objectives. Protects value – minimise downside risk, protects people, systems and processes.

Part of Decision Making

Risk management helps decision makers make informed choices, prioritise actions and distinguish alternative courses of action. Helps allocate scarce resources.

Systematic, Structured & Timely

A systematic, timely and structured approach to the management of risk contributes to efficiency and to consistent, comparable and reliable results. The more aligned the more effective and efficient.

Tailored

Risk management is aligned with the Council's external and internal context and risk profile. There will be a need for different risk appetites & different measurements to reflect the context / situation.

Transparent & Inclusive

Appropriate and timely involvement of Stakeholders at all levels of the Council ensures that the management of risk remains relevant and up to date. The management of risk must be clearly set out in job profiles/employment contracts and annual appraisals.

Allows Organisational Improvement

Council must develop & implement strategies to improve the maturity of our management of risk alongside all other aspects of our management system.

Integral Part of Organisational Processes

Risk Management is not a stand-alone activity from the management system of the organisation. It is part of the process – not an 'additional' compliance task.

Explicitly Addresses Uncertainty

Risk management explicitly takes account of uncertainty, the nature of that uncertainty & how it can be addressed.

Based on Best Available Information

The inputs to the process of managing risk are based on information sources such as historical data, experience, stakeholder feedback, observation, forecasts and expert judgement. As perfect information is not always possible, start with resources/expertise you can gain easily. Increase information as the level of risk increases.

Takes Cultural Factors into Account

The management of risk recognises the capabilities, perceptions and intentions of people that make our organisation different.

Dynamic & Responsive to Change

A relevant and accurate system should support decisions and strategies. External and internal events happen, context and knowledge change, monitoring and review take place, new risks emerge, some change, and others disappear. There should be regular reviews of the risk register and the risk framework.