Enterprise Risk Management Policy

Policy, procedure, protocol	Policy
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Documents superseded	Risk Management Policy V5.0 (18/04/2017 – 15.075/17)
Related documents	ISO 31000:2009 – Risk Management Enterprise Risk Management Plan Risk Register Risk Management templates and procedures Integrated Planning & Reporting documents Audit Committee Charter Business Continuity Plan Code of Conduct Fraud Control Policy Project Management Framework Incident Management Procedures
Author	Director Corporate & Governance
Section / Department	Corporate & Governance
Linkage to Our Community Plan	5 Leadership
Objective	5.1 We will have a strong, accountable and representative Government
Strategy	5.1.8 Ensure good governance, effective risk management and statutory compliance

Table of contents

1.   Purpose

The purpose of this Policy is to clearly communicate Council's commitment to maintaining an effective and efficient risk management framework to help promote a positive risk culture and proactively manage enterprise wide risks to support the achievement of Council's strategic and operational objectives.

This Policy details Council's overall intentions for managing risk and highlights the core components of the enterprise risk management framework.

By properly understanding and managing risk within the boundaries of our risk appetite, we can provide greater certainty and security to our community and other stakeholders. Effective enterprise-wide risk management will enable us to deliver on our commitments and ensure we make confident decisions on how we can develop, implement and manage our services and assets..

2.   Scope

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

3.   Definitions

Term	Meaning
Control	A measure that modifies (reduces) risk. Includes existing Council processes, procedures, policies, devices, practices or other actions that act to minimise risk.
Council Official	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.
Enterprise Risk Management Framework	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk	Effect of uncertainty on objectives. (Note: effect is a deviation from the expected and may be positive and/or negative).
Risk Management	The coordinated activities to direct and control an organisation with regard to risk.
Risk Management Process	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.
Risk Treatment	Selection and implementation of an action or process identified to address or mitigate a risk.

4.   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 Internal Audit Guidelines
- the Integrated Planning & Reporting Guidelines for local government in NSW; and
- any other relevant guidelines issued by the Division of Local Government.

5.   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 and incorporating the learnings to mitigate future occurrences.

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

6.   Roles and Responsibilities

Position	Responsibility
Councillors	Provide oversight of Council's enterprise risk management framework. Consider risks in all decision making to ensure alignment with Council's risk appetite statements.
Audit Committee	Provides independent assurance that Council's operational performance is in accordance with its enterprise risk management framework.
Executive Team	Provides risk management leadership and is ultimately responsible and accountable for risk management. Supports and drives the implementation of risk management throughout Council by approving the Enterprise Risk Management Plan.

Position	Responsibility
	Manage high level strategic risks facing Council and embed this policy and related risk framework processes into their areas of responsibility.
Risk Management Improvement Group	Monitors and facilitates consistent operation of the enterprise risk management by performing an audit function to assess the effectiveness of risk management controls and provides advice and assurance on compliance with the enterprise risk management framework. Ensures tools and templates developed are aligned with the enterprise risk management framework.
Safety and Risk Coordinator	Responsible for maintaining risk management capabilities appropriate to the needs of Council including designing, operating, embedding, maintaining and continually improving the risk management framework. Responsible for providing tools and templates and coordinating training that supports the Risk Management Framework. Develop, lead, manage and maintain an effective risk management and business continuity frameworks and work health & safety system. Provide advice and support to RMIG Committee and staff in performing risk management functions.
Manager Organisational Development	Coordinates a link between enterprise risk management plan activities and Integrated Planning and Reporting documentation.
Governance Officer	Considers risk profile and appropriateness of insurance arrangements in accordance with enterprise risk management framework. Coordinates Internal Audit functions that may have an effect on activities of the enterprise risk management plan. Coordinates the Audit Committee.
Managers	Are often the 'risk owners' and accountable for implementing and maintaining sound risk management practices in their day-to-day activities within their sphere of accountability and authority. Managers help identify, evaluate and manage risks, escalate incidents/issues to ET and ensure staff are aware of and adhere to the policy and enterprise risk management framework.
Staff / Council Officials	Are required to follow Council's policies and procedures and always act in a manner which does not place at risk the safety of themselves or any other person in the workplace. Responsible and accountable for taking practical steps to minimise exposure to risks in so far as is reasonably practicable within their area of activity and responsibility. Staff should report all incidents, risks and issues to their Manager in a timely manner.

7. Procedures

7.1 Approach and Methodology

Clarence Valley Council's risk management approach will follow the principles and practices specified in the International Standard ISO 31000: 2018 Risk management – Guidelines and tailored for Council's operating environment.

7.2 Enterprise Risk Management Framework

Clarence Valley Council's enterprise risk management framework aims to support the achievement of organisational objectives and considers all types of strategic, financial, regulatory, reputation, project and other operational risks.

The framework provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management. It consists of:

- Enterprise Risk Management Policy to clearly communicate intent and commitment;

- Risk Appetite Statement to help guide management and risk owners in respect to the parameters of acceptable risk taking and tolerances;

- Enterprise Risk Management Plan to provide a roadmap of the approach to foster a positive risk-aware culture and outline the mechanisms for implementing, resourcing, communicating and improving risk management as well as measuring and reporting risk management performance.

- Risk Assessments and Reports including risk registers, which are applicable to all functions across Council.

- supporting policies, plans and frameworks that complement risk management such as Work Health and Safety, Fraud Control, Business Continuity Management, Procurement and Project Management.

The framework ensures that:

- risk management practices are integrated into Council's planning and decision-making processes.

- a risk management ethos and practices are promoted and supported throughout Council.

- participation of and input from all employees in the management of risks is fostered.

- whenever economically possible impacts of risks will be reduced and high level risks eliminated or insured against where mitigation does not eliminate that risk.,

- more effective allocation and use of resources is promoted and facilitated.

- levels of accountability are recognised and promoted.

- appropriate communication of requirements, necessary education and training is afforded to Councillors and staff.

7.3 Embedding risk management

Council staff will aim to embed risk management into day-to-day activities so that risk management thinking is deeply entrenched into the organisation's norms and prudent risk taking is aligned to risk appetite. Integration of risk management at Clarence Valley Council will follow these principles:

- A transparent and consistent framework that is applied across the organisation.

- A flexible approach to how we identify, respond and control risk to accommodate Council's range of activities.

- Reinforce accountability at all levels.

- Continually promote a positive risk culture where risk management is seen as an enabler, embraced and valued by Council Officials and stakeholders.

- Consider enterprise-wide risks in our strategies, plans, reports, decisions, operations, events, activities and business processes.

In the application of this policy and the Enterprise Risk Management Plan, we are mindful that effective risk management requires:

- a strategic focus;

- a system for the setting of priorities where there are competing demands on limited resources;

- forward thinking, planning and proactive approaches to management;

- a balance between the cost of managing risk and the anticipated benefits; and

- contingency and continuity of business planning in the event that critical threats are realised.