

RISK MANAGEMENT POLICY

Policy Type:	Council
Responsible Department:	Business Support & Improvement
Responsible Officer:	Manager Finance and Procurement
Related Policies and Procedures	<ul style="list-style-type: none"> • Risk Management Framework • Fraud and Corruption Prevention Policy • Prudential Management Policy • Treasury Management Policy • Business Continuity Plan • Emergency Management • Internal Financial Controls • Relevant WHS Policies and Procedures
Community Plan Link	4. Civic Leadership 4.1 We have strong leadership and governance 4.3 Our business systems are effective and transparent
Date Originally Adopted	24 May 2010, C664
Last review date	27 May 2024
Next review date	July 2027
ECM Doc set I.D.	8988273

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 objectives.

2. SCOPE

- 2.1 This policy applies to all staff, volunteers, contractors, Council and Committee members in relation to all activities undertaken by the City of Unley. Activities include, but are not limited to, the following:
- 2.1.1. Strategic and operational planning.
 - 2.1.2. The planning and provision of all services and facilities.
 - 2.1.3. The planning, assessment and delivery of all projects.
 - 2.1.4. Any other enterprise, work or undertaking conducted by council.

3. POLICY PURPOSE/OBJECTIVES

- 3.1. This Policy is intended to enable an integrated approach to risk management through:
- 3.1.1. Seeking a commitment to core risk management principles.
 - 3.1.2. Defining responsibilities for risk identification, assessment, evaluation, and treatment programs across Council operations.
 - 3.1.3. Application of the Risk Management Framework that provides the tools to underpin Council approach to achieving a balance between costs of managing risk and anticipated benefits.
 - 3.1.4. Ensuring a systematic approach is used to manage risks and that appropriate treatment and risk mitigation strategies are applied, reviewed, and monitored.
 - 3.1.5. Developing and nurturing an organisational ethos and culture which integrates risk management processes into management activities at strategic, project and operational levels.
 - 3.1.6. Achieving Council's goals, objectives, targets, and community expectations within an acceptable (tolerable) level of risk.

4. DEFINITIONS

Consequences	Outcome of events affecting objectives.
Control	An action or measure that modifies a risk.
Internal Control	Control designed to provide reasonable assurance regarding the achievement of objectives in the following categories: <ul style="list-style-type: none"> • Effectiveness and efficiency of operations; and • Reliability of financial reporting; and • Compliance with applicable laws and regulations.
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 or 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 is outlined in 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 regards to risk.
Risk Management Framework	Set of components that provide the foundations and operational 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 and risk treatment in order to achieve objectives.
Risk Treatment	<p>A process of selecting and implementing additional controls/measures to further mitigate the risk. Treatment can involve:</p> <ul style="list-style-type: none"> • Terminate: Avoiding the risk by deciding not to start or continue with an activity that gives rise to the risk. • Tolerate: Taking or increasing risk to pursue an opportunity. • Transfer: Taking out insurance; outsourcing a particular activity. • Treating: Changing the likelihood or consequence by implementing additional controls.

5. ROLES AND RESPONSIBILITIES

<u>Role</u>	<u>Responsibilities</u>
Council Members	<ul style="list-style-type: none"> • Endorsing Council's Risk Management Policy. • Ensuring that risks are adequately considered when setting Council strategies and objectives. • Understanding the risks facing Council in pursuit of its objectives. • Applying risk management principles to the decision-making process. • Ensuring that the appropriate policies, practices, and procedures of internal control are implemented and maintained.
Audit and Risk Committee Members	<ul style="list-style-type: none"> • Reviewing and recommending endorsement of the Risk Management Policy. • Ensuring the risk management framework assigns authority, responsibility and accountability at appropriate levels within the organisation. • Monitoring and reviewing the performance and adequacy of Council's risk management framework for identifying, monitoring and managing significant business risks. • Monitoring and reviewing the adequacy of internal controls, internal audit, financial management systems and practices.

	<ul style="list-style-type: none"> • Ensuring an appropriate compliance framework exists to identify risks and controls for compliance with applicable legislation and regulations.
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> • Ensuring an effective risk management process is established, implemented and maintained and deliver a consistent approach to risk management. • Ensuring that the appropriate policies, practices and procedures of internal control are implemented and maintained. • Promoting a strong risk management culture by providing firm and visible support for risk management including ensuring appropriate delegations for the management of risk. • Ensuring appropriate resources are allocated to managing risk.
Executive Management Team (EMT)	<ul style="list-style-type: none"> • Promoting and supporting a proactive risk culture and the application of Risk Management Policy and Framework. • Monitoring Council's overall risk profile and mitigation strategies ensuring that Risk Management is embedded into all critical functions and activities. • Ensuring 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 area. • Regularly reviewing Council's strategic and operational risks and ensuring risk treatments are actioned. • Monitoring internal controls and ensuring any ineffective internal controls are addressed through treatment plans. • Ensuring any risk treatments are included in business unit plans and actioned.
Management Team	<ul style="list-style-type: none"> • Implementing the Risk Management Policy and Framework in their respective areas of responsibility and promoting a proactive approach to risk management. • Undertaking risk management processes and reviewing internal controls as required by the Policy and Framework. • Recording all operational risk information within the Council's operational risk register. • Regularly reviewing internal controls and risks at all levels and ensuring risk treatments are actioned. • Empowering staff to actively manage risk.

Principal Risk Management Officer	<ul style="list-style-type: none"> • Providing guidance and assistance to all staff in relation to the application of the Risk Management Policy and Framework and reporting within the Risk Register. • Ensuring relevant risk information is reported and escalated to the Executive Management Team or Audit Committee, or cascaded to staff, as relevant. • Maintaining the Risk Management Policy and Framework to ensure its currency and accuracy. • Managing the strategic and operational risk registers, including the regular review of the registers, and the monitoring and reporting of emerging risks and progress of treatment plans. • Monitoring and reporting on the effectiveness of internal controls, including the progress of treatment plans.
Project Managers/ Coordinators	<ul style="list-style-type: none"> • Implementing risk management processes, including recognising, reporting and responding to new, changing and anticipated risks.
Employees	<ul style="list-style-type: none"> • Identifying, evaluating, reporting and managing risks in their daily activities and projects.

6. POLICY STATEMENT

- 6.1. Council is committed to developing, applying and maintaining governance and risk management principles to ensure risks to the achievement of strategic and operational business objectives are considered, analysed and monitored.
- 6.2. Council will adopt and implement a systematic approach to identifying, assessing, evaluating, and treating (mitigating) risks. The risk management program involves council assessing its risk appetite when considering opportunities that are aligned to Council's strategic and operational objectives.
- 6.3. Management will lead, actively participate in and have complete oversight of all aspects of risk management within their areas of responsibility.
- 6.4. Management will maintain appropriate practices and procedures of internal control and will ensure internal controls are implemented and monitored, and are in accordance with the *Better Practice Model—Internal Financial Controls*.
- 6.5. The risk register(s) will be periodically reviewed in accordance with the set timeframes identified in the Risk Management Framework.

7. POLICY DELEGATIONS

- 7.1. Nil Applicable

8. LEGISLATION

- 8.1. Section 125(1) of the *Local Government Act 1999* requires 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 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.
- 8.2. Section 125(3) of the *Local Government Act 1999* requires a council must ensure that appropriate policies, systems and procedures relating to risk management 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, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the council.
- 8.3. Section 132A of the *Local Government Act 1999* requires a council must 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.
- 8.4. Section 134(4)(b) of the *Local Government Act 1999* requires Council to adopt risk management policies, controls and systems in regards to borrowings and related financial arrangements.
- 8.5. Relevant *Welfare Health and Safety Act 2012*, Regulations and approved Code of Practice.

9. AVAILABILITY OF POLICY

- 9.1. The Policy/Procedure 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.

10. DOCUMENT HISTORY

Date	Version No.	Comment
24/05/2010	Version 1	Council 644/10
28/02/2011	Version 2	Council 70/11
25/05/2012	Version 3	Council 420/12
22/05/2017	Version 4	Council 853/17 Policy Number Deleted
24/02/2020	Version 5	Council C0189/20
27/05/2024	Version 6	Council C1264/24