

## Risk Management Policy

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| <b>First Approval Date</b>       | 21/11/2016                                                                                                                                                 |
| <b>Classification</b>            | Council Policy                                                                                                                                             |
| <b>Responsible Officer</b>       | WHS Officer                                                                                                                                                |
| <b>Relevant Legislation</b>      | ISO 31000:2018 Risk Management Guidelines                                                                                                                  |
| <b>Related Policies</b>          | Code of Conduct, Whistle-blowers Protection, Fraud and Corruption Policy, Procurement Policy, Financial Internal Control Policy, Risk Management Framework |
| <b>Council Resolution Number</b> | CNC207/09/24                                                                                                                                               |
| <b>Record Number</b>             | POL202463834                                                                                                                                               |
| <b>Last Reviewed</b> 16/09/2024  | <b>Next Review</b> 16/09/2028                                                                                                                              |

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# Risk Management Policy

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|                                                        |          |
|--------------------------------------------------------|----------|
| <b>1. Background</b>                                   | <b>1</b> |
| <b>2. Purpose</b>                                      | <b>1</b> |
| <b>3. Scope</b>                                        | <b>1</b> |
| <b>4. Definitions</b>                                  | <b>1</b> |
| <b>5. Risk management process</b>                      | <b>2</b> |
| <b>6. Policy statement</b>                             | <b>3</b> |
| <b>7. Risk registers</b>                               | <b>4</b> |
| <b>8. Emergency risk management framework</b>          | <b>4</b> |
| <b>9. Responsibilities</b>                             | <b>4</b> |
| <b>10. Employees, service providers and volunteers</b> | <b>6</b> |
| <b>11. Review and evaluation</b>                       | <b>6</b> |
| <b>12. Availability of the Policy</b>                  | <b>6</b> |

# Risk Management Policy

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## 1. Background

- 1.1. The Town of Walkerville recognises that the effective management of risk is a fundamental component of good business practice 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 for improvement.

## 2. Purpose

- 2.1. The purpose of this Policy is to state the Town of Walkerville's commitment to a risk management approach to its operations. The Council recognises that risk is inherent in all of its activities and that effective management of risk is necessary in order to protect its employees, assets, liabilities and community against potential losses.

## 3. Scope

- 3.1. Council will maintain risk management practices and a Risk Management Framework consistent with the guidelines and principles of risk management as set out in the Australian Risk Management Standard ISO 31000:2018 (AS/NZS ISO 31000).
- 3.2. Council will integrate risk management into its corporate culture and its everyday business operations at the strategic, operational, project and emergency risk levels. Council will be mindful of the need to achieve a balance between the costs of managing risk and the anticipated benefits with a view to maximising opportunities and minimising negative outcomes.
- 3.3. The Risk Management Policy and Framework will apply to all activities undertaken by Council, its employees, volunteers and contractors, given that each has a responsibility for the effective management of risk within their areas of responsibility.

## 4. Definitions

### 4.1. Risk

AS/NZS ISO 31000 defines risk as: "The effect of uncertainty on objectives". In this context, risk is the "degree of uncertainty" that exists, whether potential for gain or exposure to loss.

### 4.2. Risk management

Risk management is essentially a structured approach to the identification, evaluation and management of risks. It is also a proactive approach which Local Government can use to address threats and lost opportunities in respect to its interests. AS/NZS 31000:2018 defines risk management as: "...Coordinated activities to direct and control an organisation in regard to risk".

The benefit of a coordinated and systematic approach to risk management includes:

# Risk Management Policy

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- the council and its Chief Executive Officer and Senior Management, having a clear understanding of the key risks facing the Council;
- there is agreement across the organisation on the priorities to manage the key risks;
- various controls are in place and operating effectively to reduce risks to acceptable levels (risk appetite);
- cost savings are achieved through the presence of an efficient and effective controls; and
- the community has increased confidence in the operations of the Council.

## 5. Risk management process

5.1. The risk management process is detailed in the Risk Management Framework, however, the steps required in this process are briefly explained below:

### 5.2. Scope, context and criteria

The first step in the risk management process is establishing the scope, context and criteria, which includes:

- setting the scope which relates to defining the goals and objectives;
- defining the context, which includes determination of internal or external environment in which Council seeks to achieve its objectives; and
- setting the criteria, which is defining the terms of reference against which significance of risk is evaluated.

### 5.3. Risk assessment

The second step in the risk management process is risk assessment, which includes:

- identification of risk, which is the process of finding, recognising and describing risk;
- analysis of risk, which is the process to comprehend the nature of risk and to determine the level of risk; and
- evaluation of risk, which is the process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is within Council's risk appetite and to decide whether additional treatments are required.

### 5.4. Risk treatment

The third step in the risk management process is the risk treatment, which is applied to the risks which are not in line with Council's risk appetite. This includes a risk treatment action plan to reduce the level of residual risk to bring it as low as possible or ideally align it with Council's risk appetite.

### 5.5. Risk recording and reporting

The fourth step in the risk management process is recording the process and outcome of the above-mentioned steps in the relevant risk registers i.e., strategic risk register, operational risk register and project risk register. This step also includes periodic reporting of the risk registers to the relevant stakeholders.

# Risk Management Policy

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## 5.6. Risk monitoring and review

This step of the risk management process is ongoing. Risk keeps evolving, therefore, it is essential to monitor all activities and processes to capture any new or emerging risks arising from changing environment and Council activities.

## 5.7. Communication and consultation

Communication and consultation represent an integral part of the risk management process. It ensures the overall success of Council's risk management systems by involving the relevant stakeholders.

## 6. Policy statement

6.1. It is the Policy of the Town of Walkerville that all work areas implement the risk management framework which provides an effective process for the identification analysis and management of both negative and positive impacts on physical, social, environmental and economic capital. This will support and safeguard Council at strategic and operational levels.

6.2. In accordance with AS/NZS ISO 31000:2018 Risk Management Guidelines, the Town of Walkerville is committed to implementing appropriate strategies and processes that identify, analyse and manage the risks associated with its activities, as a means of minimising the impact of undesired and unexpected events on its operations and to facilitate potential opportunities.

6.3. Every member of the organisation, including staff, Council Members, volunteers and contractors, has a responsibility for the effective management of risk.

6.4. Risk management processes will be integrated into all of the Council's activities and in keeping with good corporate governance practice, risk management strategies will be included in the Council's Corporate and Operational Plans.

6.5. The Town of Walkerville will achieve its risk management objectives through:

- the tailored systematic and consistent application of risk management policies, procedures and practices;
- maintaining awareness of risk management principles across the organisation;
- the systematic identification and analysis of risk and alignment with the organisation's external and internal context taking into account human and cultural factors;
- recognising the capabilities, perceptions and intentions of external and internal people that may impact on the achievement of a robust risk management system;
- the maintenance of appropriate risk assurance systems;
- the control and management of exposure to risk by appropriate risk reduction and mitigation actions;
- regularly reviewing exposure to all forms of risk and reduce risks as far as reasonably practicable or achievable;
- applying robust risk management processes to all business activities;

# Risk Management Policy

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- the education and training across all organisation areas in risk management;
- regularly reviewing the risks faced or likely to be faced by the Council as a result of its operations and of the environment in which the Council operates;
- the identification of cost-effective risk treatment options;
- regularly reviewing the key risk controls to ensure they remain relevant, robust and effective;
- continually identifying, monitoring and responding to change; and
- applying risk management to all decision-making.

6.6. Achievement of the risk management objectives will be reported to the Council through the Audit & Risk Committee.

## 7. Risk registers

- 7.1. Council will maintain strategic, operational and project risk registers that records the risk description, assessment, responsible officer and treatment plans.
- 7.2. All risk registers will be reviewed by Council's Senior Leadership Team on an annual basis to ensure continued effectiveness and will be reported to relevant stakeholders as per Council's Risk Management Framework.
- 7.3. New and emerging risks will be reported to the Audit & Risk Committee and Council as they arise.

## 8. Emergency Risk Management Framework

- 8.1. Council maintains a Business Continuity Plan to manage Council-specific events, and is an active participant in the Eastern Adelaide Zone Emergency Management Committee to identify likely hazards that will require an organisational response.
- 8.2. An Incident Operations Arrangement has been developed that describes how the Town of Walkerville will organise and take practical actions immediately before, during and immediately after an emergency incident.

## 9. Responsibilities

| Who / whom:                    | Risk role and responsibilities:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Council                        | <ul style="list-style-type: none"><li>• consider the risk in all decision-making when executing the Functions of Council as prescribed under the <i>Local Government Act 1999</i>;</li><li>• adoption and review of Risk Management Policy and Risk Management Framework; review of Strategic Risk Register on an annual basis; and</li><li>• receive and consider, on an annual basis, and in line with the LGRS audit timeframe, a report from the CEO on the audit outcomes, including an update on those organisational activities appearing as extreme and high inherent risks on the Risk Register. (Noting that extreme risks must be considered within 48 hours)</li></ul> |
| Council Audit & Risk Committee | <ul style="list-style-type: none"><li>• ensure systems are in place to effectively identify and manage risks;</li><li>• ensure risks are managed within the risk appetite and tolerances;</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

# Risk Management Policy

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|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | <ul style="list-style-type: none"> <li>• ensure compliance with legislation; and</li> <li>• the Council's Audit &amp; Risk Committee is responsible for reporting to the Council on risk management and reviewing management's approach to risk, in particular extreme and high inherent risks associated with the core activities of the Council.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Chief Executive Officer & Senior Leadership Team  | <ul style="list-style-type: none"> <li>• to determine and review strategic risks;</li> <li>• to review the operational risks;</li> <li>• champion, promote and influence a risk management culture;</li> <li>• oversee and monitor the implementation of Council's Risk Management Framework;</li> <li>• review Risk Management Policy and delegations; and</li> <li>• report to Council on an annual basis, in-line with LGRS annual audit timeframe, on the audit outcomes, including an update on those organisational activities appearing as extreme and high inherent risks on the Risk Register. (Noting that extreme risks must be considered within 48 hours.)</li> <li>• The Chief Executive Officer has the ultimate responsibility for ensuring that risk is managed across the organisation;</li> <li>• the Chief Executive Officer is the senior executive responsible for overseeing the development and maintenance of the Work Health and Safety culture, framework and systems throughout the Council; and</li> <li>• the Chief Executive Officer is the senior executive responsible for overseeing the development, facilitation and implementation of a risk management culture, framework and strategy and corporate program, including training and awareness, and monitoring corporate risk management performance.</li> </ul> |
| Management / Business Unit Leaders                | <ul style="list-style-type: none"> <li>• to determine and review operational risks;</li> <li>• champion, promote and influence risk management culture;</li> <li>• proactively manage risks within areas of responsibility;</li> <li>• monitor and review risks on a regular basis; and</li> <li>• ensure staff are appropriately trained in risk management processes and responsibility.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Staff / Officers / Project Managers / Contractors | <ul style="list-style-type: none"> <li>• all staff and contractors are responsible for risk management;</li> <li>• participation in risk assessment and review processes;</li> <li>• actively identify risks;</li> <li>• attend risk management training;</li> <li>• apply risk assessment to Projects and Project Management; and</li> <li>• undertake practical reporting.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## 10. Review and evaluation

- 10.1. Council will undertake a review and evaluation of this Policy at least once every four years. Council may, in any event, conduct a review and evaluation of the effectiveness of this Policy at any time.

## 11. Availability of the Policy

- 11.1. This Policy will be available for inspection at Council's principal office during ordinary business hours and at Council's website [www.walkerville.sa.gov.au](http://www.walkerville.sa.gov.au). Copies will also be provided to interested members of the community upon request.