TOWN OF WALKERVILLE

Risk Management Policy

First Approval Date	21/11/2016
Classification	Council Policy
Responsible Officer	WHS Officer
Relevant Legislation	ISO 31000:2018 Risk Management Guidelines
Related Policies	Code of Conduct
	Whistle-blowers Protection
	Fraud and Corruption Policy
	Procurement Policy
	Financial Internal Control Policy
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Risk Management Policy

1. Background

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

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

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).

Council will integrate risk management into its corporate culture and its everyday business operations at the strategic, project, operational 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.

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: **"…Co-ordinated activities to direct and control an organisation in regard to risk."**

The benefit of a co-ordinated and systematic approach to risk management includes:
- 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;
- 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.

Risk Management Policy

5. The Risk Assessment

The overall process of risk identification, risk analysis and risk evaluation. Which includes the following steps;

Establish the context

The goals, objectives, strategies, scope and parameters of the activity, or part of the Council organisation to which the risk management process is being applied will be defined.

Identify risks

There will be an identification of what, why and how things can arise as the basis for further analysis

Analyse risks

The existing controls will be determined and the risks will be analysed in terms of consequence and likelihood in the context of those controls. The analysis will consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood may be combined to produce an estimated level of risk.

Evaluate risks

The estimated levels of risk will be compared against pre-established criteria. This will enable risks to be ranked so as to identify management priorities. If the levels of risk established are low, then risks may fall into an acceptable category and treatment may not be required.

Treat risks

Medium and Low priority risks will be accepted and monitored. For other risks, a specific action plan will be developed and implemented in accordance with the available funding.

Monitor and review

Performance of the risk management system will be monitored and reviewed to take account of any changes which might affect it.

Communicate and consult

Communication and consultation with internal and external stakeholders will occur as appropriate at each stage of the risk management process and concerning the process as a whole.

6. Policy Statement

It is policy of the Town of Walkerville that all work areas implement the risk management framework that 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 sustainability and safeguard the Council's assets, infrastructure, staff, finances and reputation.

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.

Every member of the organisation, including elected members and Volunteers and Contractors, has a responsibility for the effective management of risk.

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

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;
- The education and training of Elected Members, Volunteers and staff 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.

Achievement of the Risk Management objectives will be reported to the Council through the Audit Committee.

7. Risk Register

Council will maintain a Risk Register that records the risk description, assessment, responsible officer and treatment plans.

8. Emergency Risk Management Framework

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 organizational response.

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 & Responsibilities:
Council	• Consider the risk in all decision making when executing the Functions of Council as prescribed under the Local Government Act 1999. • Policy adoption and review • 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 treated within 48 hours and high risks within 7 days)
Council Audit Committee	• To consider the Councils Risk Framework & Policy and regularly review the Councils Risk Register as it relates to extreme and high inherent risks
Chief Executive Officer	• To determine and review operational organisational risks • Champion, promote and influence Risk Management Culture • Oversee and monitor the implementation of the Councils Risk management Framework • Review Risk Management Policy and delegations • 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 treated within 48 hours and high risks within 7 days).
Management / Business Unit Leaders	• To determine and review operational risks • Champion, promote and influence Risk Management Culture • Proactively manage risks within areas of responsibility • Monitor and review risks on a regular basis • Ensure staff are appropriately trained in risk management process and responsibility
Staff / Officers / Project Managers	• All staff are responsible for risk management • Participation in risk assessment and review process • Actively identify risks • Attend risk management training • Apply risk assessment to Projects and Project Management • Undertake practical reporting
WHS / Risk Manager	• Ensure a functional Risk Management Framework and its implementation throughout the organisation • Provision of support and training to all Officers • Facilitate annual risk review • Report to the CEO • Attend relevant training to ensure compliance with relevant legislation • Monitor and review risk management policies

10. Responsibilities (cont.)

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 and maintenance of the Work Health and Safety culture, framework and systems throughout the Council.

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.

The Chief Executive Officer and Senior Management are responsible for monitoring the corporate implementation of the Risk Management Policy.

Managers are responsible for the risk management performance of their particular areas of responsibility, including implementation of a Risk Management Strategy, ensuring appropriate resources for risk management actions are made available and ensuring effective monitoring, reviews and reporting are undertaken. This includes ensuring that the overall risk profiles for each areas of responsibility entered by staff into the corporate risk register is reviewed, updated and approved annually. Ensure staff are appropriately trained in risk management process and responsibilities.

The Council's Audit 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. The Audit Committee will also review the Council's overall risk management plan and ensure that periodic assessments are undertaken and control measures are established, and their effectiveness is monitored and reviewed.

11. Employees, service providers and volunteers

Responsible for applying risk management practices in their area of work and ensuring that management are aware of all types of risk associated with the Council's operations. This extends to recommending suitable plans to manage risks and obtaining appropriate approval prior to action. Undertake mandatory reporting and attend risk management training.

12. Review & Evaluation

This policy will be reviewed on a regular basis. The Chief Executive Officer will report to Council on the outcome of the review and make recommendations for amendment, alteration or a substitution of a new Policy if considered necessary.

13. Availability of the Policy

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. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.