

Risk Management Policy



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Responsible Manager	Manager Governance and Policy
Other key internal stakeholders	Director Organisational Services & Excellence Manager Organisational Development
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1. PURPOSE

Threat and opportunity influence every aspect of the City of Tea Tree Gully. Risk can be defined as an 'effect of uncertainty on objectives'. Understanding the risks that the City of Tea Tree Gully is exposed to will enhance the ability to make better decisions and deliver on objectives as articulated in the Strategic and Organisational Plans 2025.

The community, the public, Elected Members, the Chief Executive Officer and senior management expect us to take considered risks and harvest potential opportunities in developing and implementing high quality policy, delivering outstanding services or undertaking the daily operations of the Council.

This Policy articulates the City of Tea Tree Gully's commitment in managing risks to its people, community, its assets and all aspects of its operations with an aim to achieving the objectives set-out in its Strategic and Organisation Plans 2025.

The implementation of this policy will contribute to creating value and protection of the community, the public, Elected Members, stakeholders, the Chief Executive Officer and all employees.

2. POLICY

Council aims to achieve its objectives by utilising the discipline of Risk Management to:

- a. Manage risks, maximise opportunities and minimise negative outcomes
- b. Integrate Risk Management into Council's management culture commensurate with its operations
- c. Provide a practical framework to manage risks that is structured and comprehensive
- d. Minimise exposure to financial losses and safeguard its physical and intangible assets
- e. Assist decision makers at all levels to make good and proactive management decisions without exposing the Council to unacceptable levels of risk
- f. Ensure the risks are appropriately monitored, reviewed and reported
- g. Enhance governance and corporate management processes
- h. Provide a safe, positive and collaborative environment.

The ultimate objective is for Council to embrace Risk Management as a key management tool as a means of enhancing and creating value for its community, the public and its stakeholders through activities that are planned and carried out.

To realise the Risk Management objectives the Council will aim to apply the following principles in the management of risk:

2.1 Integrate Risk Management in all decision making and business processes

Embed and consistently apply Risk Management practices in strategy setting, decision making, service delivery and daily operational processes.

2.2 Apply risk management practices that are structured and dynamic

The Enterprise Risk Management Framework provides a dynamic, comprehensive and structured approach that is designed to contribute to efficient, consistent, comparable and reliable results.

2.3 Customise a risk management approach to suit the context

Risks to Council objectives should be identified and assessed at strategic, organisational, operational and project/program/event levels (i.e. the four levels of hierarchy of risk). At the operational and project/program/event level, the approach in managing risks should be aligned with business strategy and evolve with the changing context, events and knowledge. The frequency of reviewing the departmental risk profile or register should align with business planning and Individual performance plan review cycles.

2.4 Apply an evidence based approach in assessing and mitigating risks

It is important to understand risk drivers and impacts when assessing risks. This includes understanding how the identified risks influence the Council's business, based on the evidence gathered and the best available information, so that appropriate actions can be designed and implemented to mitigate or harvest the associated threats and/or opportunities.

2.5 Determine the Council's risk tolerance

It is important to understand the level of risk the Council is prepared to accept, before action is deemed necessary. This represents a balance between the potential benefits of innovation and the threats that change inevitably brings. All high and extreme risks must be managed with the Council's risk appetite by implementing appropriate strategy.

2.6 Adopt a transparent and inclusive process that articulates risk management responsibility

Risk management responsibilities should be clearly defined and communicated at all levels. Relevant stakeholders should be involved in the risk identification and analysis stages to ensure that risk management remains relevant and up-to-date. Risk profiles or registers should be adequately documented and consistently communicated to the relevant responsible officer or decision makers, i.e. CEO, Elected Members and Audit Committee.

2.7 Apply risk management practices to continuously improve City of Tea Tree Gully's operations

Portfolios and departments should strive to continuously improve its risk management culture and capabilities at all levels by endeavouring to improve the maturity of risk management from reactive to tactical, and ultimately to a strategic approach.

The Enterprise Risk Management Framework provides a platform to systematically apply the risk management principles, framework, and processes to the task of identifying and assessing risks, and for planning and implementing risk Controls.

3. DEFINITIONS

For the purposes of this policy the following definitions apply:

Activities

Refers to all elements of Council's business operations and includes such functions as project planning, undertaking daily operations, providing services to the community, setting strategy and decision making.

CEO

Refers to the Chief Executive Officer (including their delegate) of the City of Tea Tree Gully.

Council

Refers to the City of Tea Tree Gully, the organisation.

Risk Management

Coordinated activities to direct and control an organisation with regard to risk.

Enterprise Risk Management Framework

Refers to a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout an organisation. The foundations include the policy, objectives, mandate, leadership and commitment to manage risk.

Internal Control

As defined in accounting and auditing, is a process for assuring achievement of an organisation's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

Control

Any action taken to manage risk and increase the likelihood that established objectives and goals will be achieved – measure taken to modify the risk.

Strategic and Organisation Plans

Plans developed and adopted by the Council (which may take various forms) that formulates the organisation's process of defining its strategy Section 122 of the Local Government Act 1999 requires councils to develop plans and prescribes the frequency for their review.

4. LEGISLATIVE FRAMEWORK

4.1 Relevant legislative requirements

This policy supports the relevant legislative requirements under the:

Local Government Act 1999

Section 125 of the Local Government Act 1999 specifies that a Council must ensure that appropriate policies, practices and procedures of Internal Controls are implemented and

maintained to assist Council carry out its activities in order to achieve its objectives; to ensure adherence to management policies and to safeguard the council's assets.

[Local Government \(Financial Management\) Regulations 2011](#)

Regulation 14(e) of the Local Government (Financial Management) Regulations 2011 requires Internal Controls be implemented by Council and to provide assurance that its financial records are complete, accurate and reliable.

[Work Health and Safety Act 2012](#)

Council will develop safe work practices, identify risks and implement Control measures to safeguard its employees in accordance with this Act.

4.2 Other references

Council's document including:

- a. Enterprise Risk Management Framework
- b. Fraud and Corruption Prevention Policy
- c. Fees and Charges Register

External document including:

- a. AS ISO 31000:2018 International Standard on Risk Management - Guidelines.

5. STRATEGIC PLAN/POLICY

5.1 Strategic Plan

The following strategic objectives in Council's Strategic Plan 2025 are the most relevant to this report:

Objective	Comments
Leadership	
<i>Delivery of services is sustainable and adaptable</i>	Risk management assists in identifying risk drivers and impacts thus managing risks to an acceptable level will minimise Council's exposure to financial losses and safeguard its human, physical and intangible assets
<i>Decision making is informed, based on evidence and is consistent</i>	Understanding and managing risks enhances Council's ability to make better decisions, create value and deliver on its objectives

5.2 Organisation Plan

Our Strategic Plan is supported by an Organisation Plan which focuses on five key themes of organisational excellence. The themes most relevant to this report are: People and Leadership; Customers and community relations; Governance; Finance and systems, Continuous improvement

6. POLICY IMPLEMENTATION

This Policy will be implemented by the Chief Executive Officer or relevant portfolio director and managed in accordance with Council's scheme of delegations.

7. ACCESSIBILITY

This Policy and Council's Fees and Charges Register are available to be downloaded free of charge from Council's website: www.cttg.sa.gov.au

Hard copies, for a fee, can be provided in accordance with Council's Fees and Charges Register at Council's Civic Centre at 571 Montague Road, Modbury SA 5092.