

# Risk Management Policy

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## 1. PURPOSE

The purpose of this policy is to clearly define the intent and application of risk management activities across the organisation to mitigate risks and inform decision making in the delivery of Strategic and Organisational Plans.

This policy applies to all employees when undertaking risk management processes for strategic, organisational and departmental risks; and risks associated with new business opportunities and initiatives. This policy is supported by processes and tools documented in the Risk Management Procedure.

## 2. POLICY

The City of Tea Tree Gully is committed to managing risks and embracing opportunities in accordance with the *AS ISO 31000:2018 Risk management – Guidelines*.

This policy integrates the City of Tea Tree Gully's approach to risk management by:

- establishing a structured and consistent process to identify, analyse, evaluate, control, treat, monitor, review and report on risks
- enabling and informing staff on how to manage uncertainties, minimise impacts of potential adverse events and effectively leverage opportunities
- promoting risk awareness, continuous improvement and culture through the identification of responsibilities and integration of risk management processes
- providing oversight and assurance to Council allowing informed decision making.

### 2.1. Risk Types

Risks are categorised into four types:

- **Strategic** - risks associated with achieving strategic objectives that align with the Strategic Plan. These are external facing risks.
- **Organisational** - risks associated with achieving organisational objectives that align with the Organisational Plan. These are internal facing risks.
- **Departmental** - risks that impact on the achievement of an activity, process or system relating to a specific departmental objective.
- **Program/Project and Event** - risks relating to the delivery of a program, project or event.

Program, project and event risks are supported by this policy and governed in line with the Program Delivery Model, Project Management Framework, Major Events Policy.

Work Health and Safety risks are managed in accordance with the WHS and Return to Work Policy and Incident Reporting and Investigation Procedure.

## 2.2. Risk Management Process

The risk management process is consistent with the Australian and international standard and is supported by the Risk Management Procedure. The process provides a systematic approach and consists of the following key functions:

### 2.2.1. Risk Assessment

Risks assessments are conducted to:

- identify, analyse, evaluate and treat new and emerging risks or opportunities within the risk scope, context and criteria
- review existing risks to ensure assessments are accurate, taking into consideration progress and developments against controls and treatments.

The risk assessment matrix must be used to determine the consequence, likelihood and overall risk rating to ensure a consistent approach across all risk types.

### 2.2.2. Review and Report

Risks are formally reviewed, recorded, monitored and reported on based on the risk type, noting risks can be reviewed at any time.

<b>Risk Type</b>	<b>Frequency</b>	<b>Review</b>	<b>Endorsement</b>	<b>Noting</b>
Strategic and Organisational	Biannually	Executive Leadership Team (facilitated by Corporate Governance)	Executive Leadership Team	Audit and Risk Committee
Departmental	Biannually	Department Managers (in conjunction with relevant staff)	General Manager	Executive Leadership Team
Program, Project and Events	As per the requirements of Program Delivery Model and Project Management Framework.			

Corporate Governance prepare the formal reporting for all strategic, operational and departmental risks. Key changes to Council's risk profile for high and extreme risks will be discussed at every ordinary Audit and Risk Committee meeting.

### 2.2.3. Consultation and Communications

Consultation and communication of risks will occur with relevant stakeholders throughout the risk management process to promote risk awareness and support informed decision making.

## 2.3. Training and Awareness

Corporate Governance are responsible for the provision of risk management training and awareness programs to:

- promote risk management awareness
- support and facilitate the risk review process
- ensure compliance with the policy and procedure.

## 2.4. Roles and Responsibilities

Roles and responsibilities are assigned to provide a governance structure to ensure accountability throughout the risk management process and support the achievement of Council objectives. The following roles and responsibilities have been defined:

<b>Elected Members (‘the Council’)</b>	<ul style="list-style-type: none"><li>• Review and endorse major changes to the Risk Management Policy</li><li>• Ensure risks are adequately considered when setting Council strategies and objectives</li><li>• Understand risks facing Council in pursuit of its objectives</li><li>• Apply risk management principles to the decision making process</li></ul>
<b>Audit and Risk Committee</b>	<ul style="list-style-type: none"><li>• Review and recommend endorsement of the Risk Management Policy</li><li>• Ensure implementation of adequate risk management systems and processes</li><li>• Monitor strategic and organisational risk profiles</li><li>• Review reports from auditors and monitor management of risks and opportunities</li></ul>
<b>Chief Executive Officer</b>	<ul style="list-style-type: none"><li>• Ensure the effective implementation of risk management throughout Council operations</li></ul>
<b>Executive Leadership Team</b>	<ul style="list-style-type: none"><li>• Review and endorse strategic and organisational risks register, including controls and treatments</li><li>• Establish the risk appetite and tolerance</li><li>• Ensure risk management process is followed</li><li>• Endorse the escalation of risk types</li></ul>
<b>Corporate Leaders</b>	<ul style="list-style-type: none"><li>• Undertake departmental risk reviews to identify, manage and report risks</li><li>• Monitor departmental risk registers, including the effectiveness of controls and progress against treatments</li></ul>

	<ul style="list-style-type: none"> <li>• Actively engage staff in Council's risk identification and management practices</li> </ul>
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>• Develop and review the risk management policy, procedure and supporting documentation</li> <li>• Provide risk management advice, support and training</li> <li>• Facilitate strategic, organisational and departmental risk reviews</li> <li>• Prepare risk management reports</li> <li>• Promote risk management and awareness</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Contribute to the identification, assessment and management of risks</li> <li>• Proactively identify risks and inform corporate leaders of potential risks as they arise</li> </ul>

### 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.

#### Consequence

The outcome of an event that can have either a positive or negative effect on objectives.

#### Control

A measure taken to modify the risk. This can include any process, policy, device, practice or other actions to manage or modify the risk.

#### Council

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

#### Employees

Refers to all Council staff, Elected Members, Committee Members, Contractors and Volunteers.

#### Executive Leadership Team

A group comprised of the CEO and general managers of the Council.

#### Likelihood

The chance and frequency of an event risk occurring.

### Risk

Any uncertainty identified that has the potential to impact the Council's ability to achieve its objectives. These can be positive or negative and can result in opportunities or threats.

### Risk appetite

The level of risk the organisation is willing to accept as tolerable and justifiable.

### Risk assessment

The overall process of risk identification, analysis and evaluation.

### Risk management

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

### Risk Management Procedure

A set of components that provide the foundations and organisational arrangements for risk management throughout an organisation.

### Risk treatment

The process or action taken to modify the risk.

### Strategic and Organisation Plans

Plans developed and adopted by the Council that formulates the organisation's process of defining its strategy in accordance with Section 122 of the Local Government Act 1999.

## 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:

- Risk Management Procedure
- Fraud and Corruption Policy
- Program Delivery Model
- Project Management Framework
- Major Events Policy
- WHS and Return to Work Policy
- Incident and Reporting Investigation Procedure

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 policy:

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 the Organisation Plan which focuses on four key themes of organisational excellence. This policy supports all themes including Customer Care, Learning and Growth, Future Capability, and Sustainable Operations.

## 6. POLICY IMPLEMENTATION

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

Record number	D23/53205
Responsible Manager	Manager Corporate Governance
Other key internal stakeholders	General Manager Corporate Services General Manager Strategy & Finance Manager People & Capability Manager Project Management Office Manager Customer & Communications
Last reviewed	12 September 2023
Adoption reference	Council
Resolution number	246
Previous review dates	13/10/20, 10/10/2017, 10/03/15, 15/1/14, 21/03/12, 19/01/10, 30/05/06, 25/02/03, 17/12/02
Legal requirement	N/A
Due date next review	2027
Delegations	No