



POLICY NO.	CPRM1
POLICY TITLE	Enterprise Risk Management Policy
STATUS	Council
SERVICE	Risk Management
DOCUMENT ID	449744

## PURPOSE

All councils operate in uncertain and changing environments. Risk is defined as the effect of this uncertainty of a council's ability to achieve its goals and objectives, where the effect is the potential for a result that is the difference to what was expected or planned for.

The purpose of the policy is to provide a framework for the management of risks associated with Council's activities.

Council is required to efficiently, effectively and economically manage and control Council's operations and must establish and maintain appropriate systems of internal control and risk management.

## SCOPE

The policy applies to Council representatives, employees, members of the public.

This policy is consistent with the International Standard ISO 31000:2018: Risk Management Guidelines

## DEFINITIONS

<b>Employee</b>	Any person with an employment contract with Council and works full time, part time, a casual or term contract basis.
<b>Internal controls</b>	Any actions taken by Council to manage both the positive and negative impact on risk on the community and Council.
<b>Risk</b>	The effect of uncertainty upon Council's objectives. Risk may have a positive or negative effect.
<b>Risk Appetite</b>	Conveys the degree of risk Council is prepared to accept in pursuit of its business objectives and Community Strategic Plan.
<b>Risk Appetite Framework</b>	The overall approach, including policies, processes, controls and systems through which appetite is established, communicated and monitored.

<b>Risk Management</b>	Refers to the set of coordinated activities to direct and control an organisation with regard to risk.
<b>Risk Management Framework</b>	The totality of systems, structures, policies, processes and people that identify, measure, monitor and mitigate risk.
<b>Risk Management Strategy</b>	The strategy for managing risk and the key elements of the risk management framework that give effect to this strategy.

## POLICY STATEMENT

The Council and the Executive Team are committed to the implementation and maintenance of a formal risk management system, including the integration of risk management throughout the organisation. This is fundamental to achieving Council's strategic and operational objectives.

In its application of this policy, Council is committed to:

- a. Achieving its business objectives while minimising the impact of significant risks that Council can meaningfully and realistically control;
- b. Protecting and enhancing Council's reputation;
- c. Behaving in a responsible and ethical manner, protecting staff and the broader community from harm and protecting physical property from loss or damage;
- d. Establishing the right balance between the cost of control and the risks it is willing to accept as part of the business and industry environment within which it operates;
- e. Recognition and exploitation of opportunities, and the management and mitigation of threats; and
- f. Establishing resilience and increased efficiency in relation to risk management.

All staff are required to be responsible and accountable for managing risk. Sound risk management principles and practices must become embedded as part of the normal management strategy for all business units within Council.

## OVERVIEW OF THE ENTERPRISE RISK MANAGEMENT FRAMEWORK

### 1.1 MANDATE AND COMMITMENT

Hunters Hill Council is committed to the formal, systematic, structured and proactive management of risks across the organisation.

Council recognises that whilst risk is inherent in all its activities, the management of risk is good business practice, creates value, is integral to sound corporate governance and in some instances, a mandatory legal requirement. In particular, effective risk management can lead to better decision-making and planning as well as better identification of opportunities and threats.

### 1.2 RISK MANAGEMENT FRAMEWORK

Council's risk management framework is a set of components that provides the foundations and organisational arrangements for designing, implementing, monitoring reviewing and continually improving risk management throughout the organisation.

Council is committed to maintaining an effective, efficient and tailored risk management framework that consists of:

- this policy
- a risk management procedure
- supporting policies that complement risk management such as fraud prevention, business continuity management, WH&S management systems and code of conduct.

The framework will enable:

- a consistent, structured approach to risk management that is appropriate to Council's activities and operating environment; and
- a risk management approach consistent with the principles of AS/NZS ISO 31000:2018

### 1.3 RISK APPETITE

Risk appetite is the amount and type of risk that Council is prepared to pursue, retain or take. It is expressed in the form of a risk appetite statement which covers a number of critical risk categories. Council's current risk appetite statement is:

#### ***People***

- There is no appetite for compromising staff safety and welfare

#### ***Legal and Regulatory***

- There is no appetite for non-compliance with legal, professional and regulatory requirements

#### ***Reputation***

- There is no appetite for risks which may have an impact on the reputation of Council

#### ***Operational, Stakeholder & Partnerships***

- There is no appetite for risks that may disrupt Council services beyond a few days
- There is some appetite for risks involved in improvements to service delivery and / or improved efficiency of operations

#### ***Financial***

- There is no appetite for decisions that have a significant negative impact on Council's long-term financial sustainability

#### ***IT systems/data***

- There is no appetite for risks that may have a significant negative impact on Council's IT systems or data loss/interruption.

***(See Risk Appetite Statement for further detail)***

## 1.4 IMPLEMENTING RISK MANAGEMENT

Council is committed to ensuring that a strong risk management culture exists and will develop and maintain risk registers and risk management plans that:

- aligns risk management processes to Council's existing planning and operational processes;
- allocates sufficient funding and resources to risk management activities;
- provides staff with appropriate training in risk management principles;
- assigns clear responsibilities to staff at all levels for managing risk;
- embeds key controls to manage risks into business processes;
- establishes appropriate mechanisms for measuring and reporting risk management performance;
- communicates risk management policies, plans and issues to staff and other stakeholders;
- takes human and cultural factors into account; and
- is dynamic, iterative and facilitates continual improvement

## 1.5 ACCOUNTABILITIES AND RESPONSIBILITIES FOR MANAGING RISK

- **Council** is ultimately responsible for adopting and committing to this risk management policy, identifying and monitoring emerging risks and fully considering risk management issues contained in Council reports.
- The **Audit, Risk and Improvement Committee** is responsible for providing independent assurance and assistance on risk management, control, governance and external accountability responsibilities.
- The **General Manager** is responsible for leading the development of an enterprise risk management culture across the organisation and ensuring that the ERM Policy and Procedure are being effectively implemented.
- The **Executive Team** is responsible for establishing and reviewing the framework for identifying, monitoring and managing significant business risks.
- **Risk and Compliance Manager** is responsible for establishing the process for the management of risk throughout the Council. The Risk and Compliance Manager is also responsible for the provision of advice and service assistance to all areas on risk management matters.
- **Managers** at all levels, are the risk owners and are required to create an environment where the management of risk is accepted as the personal responsibility of all staff, volunteers and contractors. Managers are accountable for the implementation and maintenance of sound risk management processes and structures within their area of responsibility in conformity with Council's risk management framework.
- All **staff** are required to act at all times in a manner which does not place at risk the health and safety of themselves or any other person in the workplace. Staff are responsible and accountable for taking practical steps to minimise Council's exposure to risks including contractual, legal and professional liability in so far as is reasonably practicable within their area of activity and responsibility.

## RELATED POLICIES/PROCEDURES

The Local Government Act 1993  
Risk Management Procedures 2022  
Risk Appetite Statement and matrix  
Work Health & Safety Act 2011  
Work Health & Safety Regulation 2017  
Cyber Security Policy  
Cyber Incident Response Plan

## POLICY AUTHORITY

Council/Executive (or Directors for minor amendments of Internal Policies)

## GETTING HELP

For further information please contact the Director People & Culture.

## REVIEW

This policy to be reviewed once per term of Council.

**Next review date is: September 2024**

## ADOPTED BY COUNCIL/EXECUTIVE:

DATE: 27 March 2023  
RESOLUTION NO: 039/23

## VERSION CONTROL TABLE

DATE	VERSION	RES. NO.	KEY CHANGES	AUTHOR
25.03.2008	1.0	113/08 (OM 4245)	Policy adopted	B. Smith
13.09.2010	1.1	268/10 (OM 4292)	Policy rewritten to align to RMS	B. Smith
22.10.2012	1.2	287/12 (OM 4331)	Policy reviewed – no changes	B. Smith
December 2019	2.0	273/19	Policy updated to reflect ISO 31000 and ERM Plan	B. Husking
27 March 2023	2.1	039/23	Policy updated to reflect organisation redesign, the development of the Risk Appetite Statement and the inclusion of IT/Cyber Risks	I.Harris