



ENTERPRISE RISK MANAGEMENT POLICY

PURPOSE

The purpose of this Enterprise Risk Management Policy is to communicate Council's commitment to managing enterprise-wide risks and establish clear responsibilities to ensure that all levels of Council, management and staff are aware of and responsible for the management of risk.

SCOPE

Risk is defined as the effect of uncertainty on objectives.

Hunters Hill Council understands that large, unmitigated risks can adversely impact its stakeholders and its ability to achieve strategic, operational, financial and regulatory objectives.

Risk management involves coordinated activities to direct and control the organisation with regard to risk. It is a systematic process that involves establishing the context of risk management, identifying risks, analysing risks, addressing risks, periodically monitoring risks and communication and consultation. Risk management explicitly addresses uncertainty but, whilst it is based on the best available information, it does not eliminate all risk. The application of risk management thinking, principles and practices aims to help Council deliver quality services, improve decision-making, set priorities for competing demands/resources, minimise the impact of adversity and loss, ensure regulatory compliance and support the achievement of objectives.

This policy applies to all councillors, directors, management, staff, contractors and volunteers across all Council activities and processes.



POLICY STATEMENT

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 plan
- 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 formal, 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:

Financial

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

Legal and Regulatory

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

Human Resources

3. There is no appetite for compromising staff safety and welfare

Operational



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

Environmental

6. There is low appetite for risks which may have an impact on the natural environment

1.4 IMPLEMENTING RISK MANAGEMENT

Council is committed to ensuring that a strong risk management culture exists and will develop and maintain a risk management plan 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 Plan are being effectively implemented.

The **Senior Management Team** is responsible for establishing and reviewing the framework for identifying, monitoring and managing significant business risks.

Director Corporate Services is responsible for establishing the process for the management of risk throughout the Council. Director Corporate Services 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.

AUTHORISATION AND REVIEW

The Policy Authority is the General Manager.

This policy is to be reviewed every four years or with any material changes to relevant legislation, Office of Local Government Guidelines, Council policies or organisational structure.

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	001/19	Policy updated to reflect ISO 31000 and ERM Plan	B. Husking