Risk Management Policy

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Responsible Officer	Director – Corporate & Financial Services
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1. Purpose

1.1 Mid Murray Council recognises that effective risk management policies, systems and processes will inform decision making, resource allocation and risk mitigation, which in turn will support successful achievement of its vision and strategic objectives.

1.2 The purpose of the *Risk Management Policy* (the Policy) is to enable an integrated and systematic approach to risk management by:

a) Articulating Council's commitment to core risk management principles;

b) Supporting the implementation and maintenance of a Risk Management Framework (the Framework) that details the overall structure in place to manage risk across Mid Muray Council..

c) Reviewing and evaluating the effectiveness of Mid Murray Council's policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis

2. Definitions

2.1 **The Act** is the *Local Government Act 1999.*

2.2 **CEO** means Chief Executive Officer.

2.3 **Workers** means Employees, Volunteers and Contractors.

3. Policy

3.1 Policy Statement

3.1.1 The management of risk is integrated into governance and leadership structures, including decision-making at all levels.

3.1.2 Council is committed to developing and maintaining structured and comprehensive risk management processes that are dynamic and based on best available information.

3.1.3 Engagement with Council employees and stakeholders is integral to the success of risk management processes and, as such, structures to facilitate consultation and communication are developed and maintained.

3.1.4 Council monitors and review its strategic, financial, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

3.2 Performance Measures

3.2.1 Both risk management and performance management start with the establishment and communication of Mid Murray Council's goals and objectives and development of strategies which are then cascaded throughout the organisation. Appropriate measures and reporting structures have been put in place to monitor the effectiveness of risk management processes, (at an individual and organisational level), which will in turn assist in identifying gaps and emerging risks.

3.2.2 The performance of Mid Murray Council's risk management program will be measured through the following performance indicators:

Measure	Frequency
All risks managed such that they remain risk tolerance levels defined in the Risk Appetite Statement	Annual
Number of Elected/Board Members and employees trained in risk management, (as a percentage of total)	Annual
External and Internal Audits do not identify any non-conformance with the Risk Management Framework and associated risk management documents	Each audit report

3.3 Roles & Responsibilities

Roles	Responsibilities
Council	• Set the organisation's risk appetite and framework for managing risk; • Endorse the Risk Management Framework, Risk Management Plan, Emergency Management Plan and Business Continuity Management Plan. • Give adequate consideration to risks when setting objectives and making decisions; • Foster a culture that is consistent with the organisation's appetite for risk; • Ensure the organisation has the structures and processes in place to support decision making and management of risk; • Set an appropriate governance structure for risk and risk management including Audit & Risk Committee and delegations; • Require the CEO to demonstrate that the framework for managing risk is effective and appropriate; and • Require the CEO to provide information to allow the Council to understand the risks that may have material impacts on achievement of the organisation's objectives; • Consider recommendations from the Audit & Risk Committee relating to strategic, financial and operational risks or any other risk matter.
Audit & Risk Committee	• Review and recommend endorsing the criteria contained within the Risk Management Framework, Risk Management Plan, Emergency Management Plan and Business Continuity Management Plan. • Monitor Council's responsiveness to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's auditor. • Review the annual reports from CEO in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures. • Review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis. • Monitor strategic risks and risks that exceed the organisation's risk appetite, at every meeting of the Committee.

Roles	Responsibilities
Chief Executive Officer (CEO)	• Promote a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk. • Review and recommend endorsement the Risk Management Framework, Risk Management Plan, Emergency Management Plan and Business Continuity Management Plan. • Ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks and provide a report to the Audit and Risk Committee at every meeting. • Ensure Senior Management Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities. • Regularly review strategic, financial and operational risks and maintain an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls. • Ensure compliance with legislative and contractual obligations and policy requirements. • Provide reliable information about risks, controls and their effectiveness to Council. • Monitor strategic risks and report to the Audit & Risk Committee at every meeting. • Escalate all strategic risks that exceed the organisation's risk appetite to the Audit & Risk Committee or Council, as required.
Senior Management Team	• Review and recommend endorsement of the criteria contained within the Risk Management Framework, Risk Management Plan, Emergency Management Plan and Business Continuity Management Plan. • Commitment to, and promotion of, the Risk Management Framework and Plan. • Monitor the organisation's overall risk profile and mitigation strategies. • Ensure that risk management is embedded into all functions and activities, including decision making. • Ensure that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register, (including follow up and close out of overdue risk treatments). • Incorporate risk treatments into business unit plans. • Ensure that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively involved in managing risk. • Provide incentives and performance management arrangements that support the desired approach to managing risk. • Promote a proactive risk culture in accordance with business management initiatives. • Collectively review strategic risks and consider emerging risks, (prior to Audit & Risk Committee). • Ensure compliance with legislative and contractual obligations and policy requirements.
Risk Owners	• Maintain accurate risk records for the relevant risk. • Assess exposure to the relevant risk. • Implement treatments agreed for the relevant risk. • Provide evidence for reporting on the relevant risk.
WHS & Risk Management Coordinator (WHSRC)	• Provide guidance and assistance to Senior Management Team and staff in relation to the application of this framework; • Ensure relevant risk information is recorded in the Risk Register and reported and escalated to the Senior Management Team or cascaded to staff, as relevant; • Maintain the Risk Management Framework and Plan to ensure its currency and

Roles	Responsibilities
	relevance; • Maintain the Risk Register and reporting timeframes as required.
Employees, Volunteers & Contractors	• Understand the risk management processes that apply to their area of work; • Identify, evaluate, report and manage, (or escalate,) risks relating to daily activities and projects.

3.4 Design

3.4.1 Understanding the organisation and its context.

3.4.2 Establishing the context requires those involved in risk management and decision-making processes to understand factors internal and external to the organisation that may influence Mid Murray Council's ability to achieve its objectives.

3.4.3 Risk management culture, organisational structure, strategy and objectives are examples of factors that define internal context.

3.4.4 The external environment may include a range of factors including, but not limited to:

3.4.4.1 increased legislative and compliance requirements;

3.4.4.2 reduced funding from State Government;

3.4.4.3 community expectations; and

3.4.4.4 social, cultural, political, technological, economic, natural and built environment.

3.5 Implementation

3.5.1 This Risk Management Policy is supported by a Risk Management Framework and operational plans that include timeframes and resource requirements and processes for engagement with, and provision of information to, relevant stakeholders.

3.6 Risk Management Documents

3.6.1 The Mid Murray Council risk management oversight, structure and procedures are detailed in the following documents.



4. Policy Responsibility

4.1 The Director – Director of Corporate and Financial Services is responsible for ensuring the proper operation of this Policy.

5. Availability/Accessibility

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

5.2 This Policy is available for inspection at Council's principal office during ordinary business hours. Hard copies, for a fee in accordance with Council's schedule of Fees and Charges, can be provided upon request.

6. Legislative Framework / Other References

6.1 *Local Government Act 1999*

6.2 *Work Health and Safety Act 2012*

6.3 *Civil Liabilities Act 1936*

6.4 *State Records Act 1997*

6.5 AS ISO 31000:2018 Risk Management – Guidelines

6.6 SA HB:436.1:2020 Risk Management Guidelines – companion to AS ISO 31000:2018, Part 1: Boards and executives

6.7 Risk Management Framework

6.8 LGAMLS Scheme Rules (gazetted July 2020)

6.9 Section 48 of the Act requires Councils to identify risks associated with a project and take steps to manage, reduce or eliminate those risks, (including by provision of periodic reports to the CEO and to the Council.)

6.10 Section 99(1)(ia) of the Act requires the CEO to ensure that effective policies, systems and processes are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.

6.11 Section 125 of the Act requires Council to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.

6.12 Section 126/126A(4)(g) requires the council audit and risk committee to review and comment on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures;

6.13 Section 126/126A(4)(h) requires the council/regional audit and risk committee to review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis;

6.14 Section 132A of the Act requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.

6.15 Section 134(4)(b) of the Act requires Council to adopt risk management policies, controls and systems by a resolution passed by at least a two thirds majority of the members of Elected Members prior to entering into financial arrangements for the purpose of managing, hedging or protecting against interest rates or other costs of borrowing money.

6.16 As a member of the Local Government Association Mutual Liability Scheme, Council is bound by the Scheme Rules, which include an obligation to ensure that adequate risk management and prevention strategies are put in place so as to absolutely minimise the risk of any incident, circumstance or matter that may give rise to a claim.

7. Document History

7.1 This Policy shall be reviewed at least every four (4) years or more frequently if legislation or Council requires.

Version	Adopted	Minute	Description of Change
1	6 November 2006	15802/1	Council adopted this Policy.
2	10 May 2010	11901/1	
3	14 November 2017	19970/4	Updated with new Policy document format and layout.
4	11 February 2020	20902/3	New Version drafted October 2019 based on LGAMLS Version 3
4			New version drafted April 2023 based on LGAMLS V4.0 issued Jan 2022
4	13 February 2024		Updated with new Policy document format and layout.
5	19 March 2024	C03-24/028	Reviewed by Council, policy updated to reflect the improvements that LGAMLS
6	17 November 2026	C11-26/010	Reviewed by WHSRC and policy updated to reflect Mid Murray Council enterprise risk management structure and approach.