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Responsible Officer	Director – Corporate & Financial Services
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1. Purpose

- 1.1 Mid Murray Council recognises that effective management of risk 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:
- Articulating Council’s commitment to core risk management principles;
 - Supporting the implementation and maintenance of a Risk Management Framework (the Framework) that comprises the tools and processes that underpin the organisation’s risk management approach.

2. Definitions

- 2.1 **The Act** is the *Local Government Act 1999*.
- 2.2 **CEO** means Chief Executive Officer.
- 2.3 **RWG** is the Risk Working Group.
- 2.4 **Workers** means Employees, Volunteers and Contractors.

3. Policy

3.1 Policy Statement

- 3.1.1 The management of risk will be 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 will be developed and maintained.

- 3.1.4 Council will monitor and review its strategic, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

3.2 Performance Measures

The performance of the risk management program will be measured through the following performance indicators:

- 3.2.1 Year on year reduction in strategic risks rated “extreme” and “high”
- 3.2.2 Number of Elected/Board Members and employees trained in risk management, (as a percentage of total)
- 3.2.3 Percentage achievement of risk evaluation action plan actions

3.3 Roles & Responsibilities

3.3.1 Council

Council is responsible for:

- 3.3.1.1 Setting the organisation’s risk appetite and policy for managing risk;
- 3.3.1.2 Giving adequate consideration to risks when setting objectives and making decisions;
- 3.3.1.3 Fostering a culture that is consistent with the organisation’s appetite for risk;
- 3.3.1.4 Ensuring the organisation has the structures and processes in place to support decision making and management of risk;
- 3.3.1.5 Setting an appropriate governance structure for risk and risk management including Audit & Risk Committee and delegations;
- 3.3.1.6 Requiring the CEO to demonstrate that the framework for managing risk is effective and appropriate; and
- 3.3.1.7 Requiring 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; and
- 3.3.1.8 Considering recommendations from the Audit & Risk Committee relating to strategic risks or any other risk matter.

3.3.2 Audit & Risk Committee

The Audit & Risk Committee is responsible for:

- 3.3.2.1 Reviewing reports from the Senior Management Team and auditors to ascertain the adequacy of controls that have been implemented; and
- 3.3.2.2 Monitoring strategic risks on an annual basis or as per Audit & Risk Committee Workplan.

3.3.3 Chief Executive Officer

The CEO has the responsibility for:

- 3.3.3.1 Promoting a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk;
- 3.3.3.2 Developing and implementing a framework that delivers a consistent approach to risk management by allocating resources and assigning authority, responsibility & accountability at appropriate levels within the organisation;
- 3.3.3.3 Allocating and upholding accountability for managing risk;
- 3.3.3.4 Ensuring the Senior Management Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;
- 3.3.3.5 Regularly reviewing strategic and operational risks and maintaining an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls;
- 3.3.3.6 Ensuring compliance with legislative and contractual obligations and policy requirements;

- 3.3.3.7 Providing reliable information about risks, controls and their effectiveness to the Council; and
- 3.3.3.8 Escalating all strategic risks that exceed the organisation's risk appetite to the Audit & Risk Committee or Council, as required

3.3.4 **Senior Management Team**

Members of the Senior Management Team are responsible for:

- 3.3.4.1 Reviewing and endorsing the criteria contained within the Framework;
- 3.3.4.2 Commitment to, and promotion of, this Policy and the Framework;
- 3.3.4.3 Monitoring the organisation's overall risk profile and mitigation strategies;
- 3.3.4.4 Ensuring that risk management is embedded into all functions and activities, including decision making;
- 3.3.4.5 Ensuring 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);
- 3.3.4.6 Incorporating risk treatments into business unit plans;
- 3.3.4.7 Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk;
- 3.3.4.8 Providing incentives and performance management arrangements that support the desired approach to managing risk;
- 3.3.4.9 Promoting a proactive risk culture in accordance with business management initiatives;
- 3.3.4.10 Collectively reviewing strategic risks and considering emerging risks;
- 3.3.4.11 Ensuring compliance with legislative and contractual obligations and policy requirements

3.3.5 **Risk Working Group**

The RWG has the responsibility for:

- 3.3.5.1 establish a common understanding of strategic and high risks within the organisation and establish a risk management plan to address these risks in alignment with strategic vision
- 3.3.5.2 ensure leadership and overall guidance to the Senior Management Team in the implementation of an enterprise wide Framework
- 3.3.5.3 ensure early, quick and clear escalation of items of strategic or high operational risk to key decision makers
- 3.3.5.4 ensure appropriate controls are in place to actively manage and monitor strategic and high operational risks
- 3.3.5.5 ensure that once an issue is no longer considered a strategic or high operational risk it returns to routine management
- 3.3.5.6 manage the reporting of risks to the Audit Committee, Council and Senior Management Team
- 3.3.5.7 create opportunity for key learnings to be identified, discuss/advise more effective controls, implement knowledge and education programs and ensure that processes are reviewed for continuous improvement, within the scope of Council delegation

3.3.6 **WHS & Risk Management Coordinator**

The WHS & Risk Management Coordinator is responsible for:

- 3.3.6.1 Providing guidance and assistance to the Senior Management Team and employees in relation to the application of this Policy and the Framework;
- 3.3.6.2 Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the Senior Management Team or cascaded to employees, as relevant;
- 3.3.6.3 Maintaining this Policy and the Framework to ensure their currency and relevance;

and

3.3.6.4 Maintaining the Risk Register and reporting timeframes as required.

3.3.7 **Workers**

All Workers are responsible for:

3.3.7.1 Understanding the risk management processes that apply to their area of work; and

3.3.7.2 Identifying, evaluating, reporting and managing, (or escalating,) risks relating to daily activities and projects. All staff are to be notified of this Policy and associated Procedures and kept informed of any updates and/or changes. Relevant staff are to be trained in the use of this Policy and associated Procedures.

4. Policy Responsibility

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 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/Board.)

6.2 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.

6.3 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.

6.4 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/Board Members prior to entering into financial arrangements for the purpose of managing, hedging or protecting against interest rates or other costs of borrowing money.

6.5 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

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