

Council Policy

Risk Management



COUNCIL POLICY

 <p>Adelaide Hills COUNCIL</p>	RISK MANAGEMENT
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Policy Number:	GOV-19
Responsible Department(s):	Governance & Risk
Other Relevant Policies:	Internal Audit Policy Fraud & Corruption Prevention Policy Work Health and Safety and Injury Management Policy
Relevant Procedure(s):	Risk Management Framework
Relevant Legislation:	<i>Local Government Act 1999 Emergency Management Act 2004 Work Health & Safety Act 2012</i>
Policies and Procedures Superseded by this policy on its Adoption:	Risk Management Policy, Item 12.1, 3, 25 February 2014
Adoption Authority:	Strategic Planning & Development Policy Committee
Date of Adoption:	13 June 2017
Effective From:	27 June 2017
Minute Reference for Adoption:	Item 12.2, SP21/17
Next Review:	No later than April 2020 or as required earlier by legislation or changed circumstances.

RISK MANAGEMENT POLICY

1. INTRODUCTION

- 1.1 There is always uncertainty associated with the decisions and actions Council takes to achieve its objectives.
- 1.2 The effect of uncertainty on objectives is known as 'risk'. The international risk management standard ISO 31000:2009 uses this definition of risk and elaborates that:
 - 1.2.1 An effect is a deviation from the expected – it can be positive and/or negative
 - 1.2.2 Risk is often characterised by reference to potential events and consequence or a combination of the two
 - 1.2.3 Risk is often expressed in terms of a combination of the consequences of an event and the associated likelihood of the occurrence of the event
 - 1.2.4 Uncertainty arises due to a deficiency of information, knowledge or understanding of an event, its consequences, or likelihood.
- 1.3 This policy provides a definition of risk as it applies to the Council, a clear risk policy statement and principles and sets down the responsibilities for Council Members, the Audit Committee, managers, employees, volunteers and contractors.
- 1.4 The policy should be read in conjunction with the risk management framework and associated guides.

2. POLICY STATEMENT

- 2.1 The Council is committed to maintaining a robust and integrated Governance Framework that assures stakeholders that it is pursuing its objectives and fulfilling its responsibilities with due diligence and accountability.
- 2.2 A fundamental component of this Framework is the effective management of the Council's risks in order to provide greater certainty and security for all its stakeholders. In doing so, Council will be better informed, more decisive and function with increased confidence to achieve its objectives.
- 2.3 To provide consistency and confidence, Council will undertake these risk management activities in accordance with ISO 31000:2009.

- 2.4 Council aims for high-quality risk management activities to be integrated with all its critical processes, so that before events occur or if there is a change in circumstances that might enhance or prevent Council achieving its objectives, the organisation is able to recognise and respond to the risk in a consistent, proactive way. Equally, when events occur, Council will use systematic processes to learn the lessons from its successes, failures and near misses. In this way Council will drive service improvement and organisational learning and growth.

3. POLICY PRINCIPLES

- 3.1. The principles of the Council's approach to managing risk are to:
 - 3.1.1. Embed systematic and effective processes to identify, prioritise and manage existing and emerging risks;
 - 3.1.2. Ensure linkages to strategic goals and objectives;
 - 3.1.3. Develop a risk management methodology that supports and defines the Council's risk appetite;
 - 3.1.4. Foster a culture that encourages employee participation in the risk management process;
 - 3.1.5. Build a reporting framework that facilitates and enhances the disclosure of potential risk to appropriate levels of management;
 - 3.1.6. Demonstrate that a proper level of due diligence is undertaken in decision-making;
 - 3.1.7. Create an environment where all Council employees take responsibility for managing risk.

4. SCOPE

- 4.1. This policy encompasses every member of the organisation, including Council Members, Chief Executive Officer, Leadership Team, employees, volunteers and contractors given that each has responsibility for the effective management of risk with their area(s) of responsibility.

5. RESPONSIBILITIES

- 5.1. The **Council** has ultimate responsibility for risk management across the organisation, adopting the risk management policy and determining an acceptable level of risk (risk appetite)
- 5.2. The **Audit Committee** is responsible for monitoring strategic risk management and the adequacy of internal controls established to manage identified risks and to provide advice to the Chief Executive Officer on these and related matters as required.

- 5.3. The **Chief Executive Officer** is responsible for ensuring that a risk management framework is established, implemented and maintained in accordance with this Policy, allocating risk management responsibilities and monitoring the overall risk profile and mitigating strategies.
- 5.4. The **Leadership Team** members are accountable for the implementation, maintenance and evaluation of risk management within their areas of responsibility in accordance with the risk management framework. They are responsible for creating an environment where each staff member is responsible for and actively involved in managing risk.
- 5.5. **Employees, Volunteers and Contractors** are responsible for identifying potential risks and for the effective management of risk as part of their employment or contractual obligations with the Council.
- 5.6. The **Governance & Risk Department** is responsible for the development and continuous improvement of the Council's risk management systems and processes; the development of information resources, training, tools and templates; the monitoring of risk registration; and reporting to the Chief Executive Officer and Audit Committee regarding the Council's risk profile and mitigation strategies.
- 5.7. A **Risk Owner** (an employee to whom responsibility for the management of a specific risk has been allocated) is responsible for ensuring that they manage their designated risk in accordance with the Risk management Framework.

6. RELATIONSHIP TO INTERNAL AUDIT

- 6.1. One of the key determinants for the selection of activities, systems and processes to be reviewed by the Internal Audit function is the level of risk they pose to the achievement of the Council's objectives.
- 6.2. Risk assessment information will be a key input in the selection of activities, systems and processes to be included in the Council's Internal Audit Plan. The outcomes of these audits/reviews will be entered into the Risk Register to further refine the risk information.

7. DELEGATION

- 7.1 The CEO has the delegation to approve, amend and review any procedures that shall be consistent with this Policy.

8. AVAILABILITY OF THE POLICY

- 8.1. This Policy will be available for inspection at the Council's Offices during ordinary business hours and via the Council's website www.ahc.sa.gov.au. Copies will also be provided to the public upon request, and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.