Enterprise Risk Management Policy

Policy administration

Dates	Policy approved 23/10/2023 This policy is effective after public exhibition. Policy is due for review in 12/2026
Approved by	Council Meeting 23/10/2023 Council Resolution FIN039-23
Policy Type	☐ Executive Policy ☒ Council Policy
Exhibition Period	02/11/2023 to 01/12/2023
Policy Owner	Head of Corporate Governance and Risk
Related Documents	Georges River Council Risk Management Plan
References & Legislation	*AS ISO 31000:2018*
Document Identifier	Policy Pol-011.04 Doc #: D23/7337
Breaches of Policy	Breaches of any policy will be dealt with and responded to in accordance with adopted codes and/or relevant legislation.
Record Keeping	All documents and information obtained in relation to the implementation of this policy will be kept in accordance with the NSW State Records Act 1998, Georges River Council's Corporate Records Policy and adopted internal procedures.

Purpose

The purpose of this Policy is to clearly communicate Council's commitment to maintaining a risk management framework that ensures the consistent, efficient and effective assessment of risk in all Council's planning, decision-making and operational processes.

Scope

This Policy applies to all Georges River Council Officials, as defined in the Code of Conduct and definitions table below.

Definition of Terms

Term	Meaning
Risk	Effect of uncertainty on objectives. (Note: effect is a deviation from the expected and may be positive and/or negative).
Risk Management	The coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Management Process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.
Control	An existing Council process, policy, procedure or activity that minimises negative risk impacts and enhances positive risk opportunities.
Council Official	As defined in Part 2 of Council's Code of Conduct, a Council Official includes councillors, members of staff of a council, contractors, administrators, community members of wholly advisory committees, members of the Audit Risk and Improvement Committee (ARIC), members of reference panels, council committee members and delegates of council.
Risk Treatment	A proposed action that will further modify negative risk impacts or enhance positive risk opportunities.

Policy Statement

Georges River Council provides critical services and infrastructure to the residents, ratepayers and visitors to the Georges River Council local government area. Council also has service agreements and contractual obligations with government and non-government agencies and organisations and has its own strategic goals and objectives that it seeks to achieve on behalf of the community.

Council is committed to the principles, framework and process of managing risk as outlined in the current Australian risk management Standard: *AS ISO 31000:2018.* The Standard requires that Council's risk management framework:

- Is based on the council's specific needs and risks, including internal and external context
- Demonstrates the council's commitment to risk management
- Assigns risk management roles, responsibilities and accountabilities within the council
- Allocates appropriate council resources for risk management,
- Effectively documents and communicates risk management across the council, and
- Is applied to all decision-making, functions, services and activities of the council in accordance with our statutory requirements.

Risk Management Framework

Council's risk management framework aims to support the achievement of organisational objectives and considers all types of strategic, financial, regulatory, reputation, project and other operational risks.

The framework consists of:

- Risk Management Policy to clearly communicate Council's intent and commitment;
- Risk Appetite Statement to help guide management and risk owners in respect to the parameters of acceptable risk taking and tolerances;
- Risk Management Plan to provide a roadmap of the approach to foster a positive risk-aware culture and outline the mechanisms for implementing, resourcing, communicating and improving risk management as well as measuring and reporting risk management performance;
- Risk Assessments and Reports including risk registers which are applicable to all functions across Council.

Council will maintain a structured enterprise risk management framework to ensure the efficient, effective and ethical use of resources and services by ratepayers, residents, staff and visitors. We understand the internal and external risks that may impact the delivery of these services, contracts and strategic objectives. Risk management is embedded in our culture and day-to-day operations through the implementation and management of policies and procedures to identify, mitigate, manage and monitor those risks.

Council aims to create a positive risk management culture where risk management is integrated into all everyday activities and managing risks is an integral part of governance, good management practice and decision-making at council.

Council is committed to continually improving its ability to manage risk. Council will review this policy and its risk management framework at least annually to ensure it continues to meet the requirements of the *Local Government Act 1993, the Local Government (General) Regulation 2021,* and the council's requirements.

Responsibilities

It is the responsibility of every staff member and business unit to observe and implement this policy and council's risk management framework.

All staff are responsible for identifying and managing risk within their work areas. Key responsibilities include:

- being familiar with, and understanding, the principles of risk management
- complying with all policies, procedures and practices relating to risk management
- alerting management to risks that exist within their area, and
- performing any risk management activities assigned to them as part of their daily role.

Risk management is a core responsibility for all senior staff/management at council. In addition to their responsibilities as staff members, senior staff/management are responsible for:

- ensuring all staff manage their risks within their own work areas. Risk should be anticipated, and reasonable protective measures taken
- encouraging openness and honesty in the reporting and escalation of risks
- ensuring all staff have the appropriate capability to perform their risk management roles
- reporting to the General Manager on the status of risks and controls, and
- identifying and communicating improvements in council's risk management practices to council's risk management function.

It is important that the risk management function is independent of line management to reduce the potential for management influence on the risks that are reported. As risk management oversight and facilitation activities are performed by staff with other council responsibilities, the council will put safeguards in place to limit any cognitive bias. These safeguards include:

- *the audit, risk and improvement committee being informed of the other council responsibilities the risk management function has, including reporting lines, responsibilities and expectations related to the role*

- *any potential issues or conflicts of interest arising from the other role being formally documented and communicated to the committee*
- *risk management staff being prohibited from undertaking risk management evaluations and reviews in relation to the council operations they are responsible for, and*
- *the committee regularly assessing that the safeguards put in place are effective*

To ensure the council is effectively managing its risk and complying with its statutory obligations, the council's Audit, Risk and Improvement Committee and internal audit function is responsible for reviewing the council's:

- risk management processes and procedures
- risk management strategies for major projects or undertakings
- control environment and insurance arrangements
- business continuity planning arrangements, and
- fraud control plan.

Position	Responsibility
Councillors	Provide oversight of Council's risk management framework. Consider risks in all decision making to ensure alignment with Council's risk appetite statements.
General Manager	Provides risk management leadership and is ultimately responsible and accountable for risk management. Supports and drives the implementation of risk management throughout Council by approving policy and plan.
Executive Team	As a team, manage high level strategic risks facing Council and embed this policy and related risk framework processes into their areas of responsibility.
Audit Risk and Improvement Committee	Support the governing body and general manager and ensure that the council's risk management framework is appropriate and operationally effective.
Chief Audit Executive	Review and provide advice to the audit, risk and improvement committee and the council on the effectiveness of the council's risk management framework.
Risk Management Function	Key support to the general manager in meeting their risk management responsibilities and reports directly to the general manager or their delegate. Support staff in undertaking their risk management activities.
Head of Corporate Governance and Risk	Oversee Council's Enterprise Risk Framework, managing and reporting on the framework to the Executive, Audit Risk and Improvement Committee and external oversight bodies.

Version Control and Change History

Version	Amendment Details	Policy Owner	Period Active
4.0	Georges River Council Risk Management Policy – reviewed and overhauled to align with Guidelines released by Office of Local Government in December 2022 and AS 31000:2018	Head of Corporate Governance and Risk	01/12/2026 – 01/12/2029
3.0	Minor amendments, including updated definition of 'Council Official' to align with definition in Code of Conduct and PID Reporting Policy	Manager Governance and Risk Management	30/06/2020 – 01/12/2026
2.0	Review and overhaul of GRC Risk Management Policy EXE425-18	Manager Governance and Risk Management	16/10/2018 – 30/06/2020
1.0	GRC Risk Management Policy Council resolution: CCL125-17	Manager Governance and Risk Management	03/07/2017 – 16/10/2018