



ENTERPRISE RISK MANAGEMENT POLICY

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Responsible Officer: Chief Executive Officer
Department: Executive

Version	Decision Number or CEO Approval	Decision Date	History
1	Portfolio Meeting	20 October 2010	Draft for discussion
2	Ordinary Meeting	27 October 2010	(Final Draft for discussion)
3	Reviewed	January 2014	Review January 2015
4	Reviewed OM-243/19	December 2019	Review July 2020
5	Reviewed OM-159/20	September 2020	Review September 2023

1. PURPOSE

The purpose of this policy is to adopt guidelines to implement a consistent and rigorous risk management framework, systems, processes, and controls throughout Goondiwindi Regional Council operations.

2. BACKGROUND

Council's philosophy towards risk is not to be unduly risk averse, but to enable risks to be identified, discussed, mitigated and monitored in a balanced manner.

Council is committed to establishing and integrating our risk management systems and processes to support this philosophy without creating an unnecessary burden on the business.

This policy sets out the processes, responsibility and accountability for risk management of the Goondiwindi Regional Council. It recognises that risk management is a critical and integral part of good management and corporate governance practice and that, in relation to commercial strategy, an element of risk is inevitable and in some cases encouraged.

This policy supports a structured and focused approach to managing risk to complement the strategies adopted by Council to achieve its corporate objectives, in order to increase confidence and enhance the value the Council provides to its stakeholders.

The principles behind this policy are based on the Australian Standard *AS/NZ ISO 31000:2009 Risk management – Principles and guidelines*.

3. OBJECTIVES

Council will apply a risk management framework which will:-

- 3.1 Incorporate a consistent, systematic process to identify, analyse, mitigate and monitor the key strategic, operational, financial, environmental and compliance risks impacting on the Council.
- 3.2 Align risk management with business objectives identified in Council's corporate and operational plans.
- 3.3 Integrate and align existing risk systems to ensure no duplications or overlap.
- 3.4 Ensure integration of information systems used for reporting on risk to enable aggregation and reporting at a corporate level.
- 3.5 Allow the necessary controls and policies to be implemented to deliver an appropriate approach to governance and best practice.
- 3.6 Will embed a culture of risk management throughout the Council.
- 3.7 Ensure that risk is considered in conjunction with the following Sections of the Local Government Regulation 2012:
 - 3.7.1 Section 164 – records management risk
 - 3.7.2 Section 175(ii) – operational plan risk
 - 3.7.3 Section 194 – investment risk
 - 3.7.4 Section 207 – internal audit risk
 - 3.7.5 Section 217 – strategic approach risk
 - 3.7.6 Section 221 – contracting risk

4. DEFINITIONS

What is Risk?

Risk is the chance of something happening that will have an impact on the achievement of our business objectives.

Risk can have a positive or negative impact.

Risk arises as much from the possibility that opportunities will not be realised as it does from the possibility that threats will materialise or that errors will be made.

What is Risk Management?

Risk management for Council refers to the culture, processes and structures developed to effectively manage potential opportunities and adverse effects for any activity, function or process undertaken by the Council.

Managing risk is achieved through the systematic application of policies, procedures and practices to identify, analyse, evaluate, treat, monitor and communicate risk.

What is Enterprise Risk Management? (ERM)

Enterprise wide risk management encompasses all the major risk categories (including financial, environmental, health and safety, fraud, information technology, compliance, security and business continuity) and includes the co-ordination, integration, consolidation and consistency of reporting by the various Council functions with identified risks.

5. POLICY STATEMENT

5.1 This Policy will be considered in conjunction with:-

- i.) Goondiwindi Regional Council Risk Register;
- ii.) AS/NZS ISO 31000:2009, the Australian / New Zealand Standard for "Risk management – Principles and guidelines";
- iii.) *Local Government Act 2009*;
- iv.) *Local Government Regulation 2012*; and
- v.) *Goondiwindi Regional Council Corporate Plan 2019-2024*
- vi.) *Goondiwindi Regional Council Operational Plan 2020-2021*.

5.2 Goondiwindi Regional Council is committed to:-

- i.) Behaving as a responsible corporate citizen protecting employees, clients, contractors, visitors and the general public from injury and unnecessary loss or damage;
- ii.) Achieving its business objectives by maximising opportunities and minimising threats through managing the impact of risks it can realistically control; and
- iii.) Creating an environment where all Council employees will take responsibility for managing risk (by developing and maintaining a strong risk management culture).

5.3 Principles:-

Council's risk management processes are based around the following key risk activities -

- i.) Risk Identification: identify all reasonably foreseeable risks associated with its activities, using the agreed risk methodology detailed in the Council's risk protocols.
- ii.) Risk Evaluation: evaluate those risks using the agreed Council criteria as depicted in Council's Risk Register.
- iii.) Risk Treatment / Mitigation: develop mitigation plans for risk areas where the residual risk is greater than our tolerable risk levels.
- iv.) Risk Monitoring and Reporting: report risk management activities and risk specific information in accordance with the risk protocols.

5.4 Roles and Responsibilities:-

- i.) Council – adopts this policy and retains the ultimate responsibility for risk management and for determining the appropriate level of risk that it is willing to accept in the conduct of Council business activities.
- ii.) Chief Executive Officer - is responsible for identifying, evaluating and managing risk in accordance with this policy through a formal enterprise-wide risk management framework. Formal risk assessments must be performed at least once a year as part of the business planning and budgeting process.
- iii.) Executive Management Team - Directors are responsible for implementing Council's risk management systems, policies and procedures and the accuracy and validity of risk information reported to the Council. In addition they will ensure clear communication throughout the Council of the Council and senior management's position on risk.

- iv.) The CEO and Director Finance & Corporate Services – will report to Council annually on the progress made in implementing a sound system of risk management and internal compliance and control across Council's operations.
- v.) Employees – are responsible for management of risks within their areas of responsibility as determined under any risk treatment plans.
- vi.) Employees will be responsible for the timely completion of activities contained within these risk treatment plans. Awareness sessions will be conducted routinely to ensure that employees are familiar with risk management and how it is applied within Goondiwindi Regional Council.
- vii.) Risk Monitoring – Council utilises a number of functions, including its Internal Audit Function, Workplace Health and Safety Committee to perform independent and objective monitoring over its risk areas, including if necessary, conducting reviews over Council's operations and risk areas by external agencies.
- viii.) The scope of the work undertaken by all of these functions and the reviews by external agencies will be considered in conjunction with Council's risk profile at least annually. This will assess the independent monitoring of key risk areas within Council's risk profile.

6. REVIEW DATE

September 2023