

17. ENTERPRISE RISK MANAGEMENT POLICY

Intent

This policy demonstrates that Douglas Shire Council understands and manages risk and seeks to ensure that there is consistency to the methods used in assessing, monitoring and communicating risks across the organisation.

Council will maintain a program of strategic and operational risk management to ensure that the community and the Council are protected against loss by adding clarity to decision making. This will place Council in a position to capitalise on opportunities by providing a better understanding of the implications of decision over the long term.

Scope

This policy applies to all areas across Council and applies to Councillors, employees, contractors and to any person or organisation that acts for or represents Douglas Shire Council.

Risk Management will be:

- Integrated into corporate and operational planning;
- Used as a critical business tool in decision making; and
- Used as a critical part of project management.

Key drivers for risk management include sound governance, legislative frameworks, decision making, environmental sustainability, social sustainability and financial sustainability.

Policy Statement

Risk is inherent in all Council's business activities, programs, services, projects, processes and decisions. Douglas Shire Council is committed to the identification and management of all risks associated with the performance of Council functions and the delivery of Council services and embedding Enterprise Risk Management (ERM) as part of Council's governance framework to protect its employees, the general public, assets and the environment.

Council's approach to ERM is based on the Australian/New Zealand and International Standards AS/NZS ISO 31000:2018.

Douglas Shire Council recognises it has responsibility to identify and address all threats and opportunities associated with:

- a) The provision of a safe and healthy operating environment for all employees, the general public and other stakeholders involved with the provision and use of Council services and infrastructure; and
- b) The prudent management of Council property and resources on behalf of ratepayers; and
- c) The achievement of Council's corporate objectives to provide effective service to the public.

Risk Management Principles

Management and employees must assume responsibility for ERM facilitated by the following guiding principles:

- a) **Adoption of a governance framework** – The Enterprise Risk Management Framework and Enterprise Risk Management Process Procedure outlines accountabilities and obligations and guides the implementation and ongoing monitoring of ERM throughout Council.
- b) **Adds Value** – Alignment and integration with Council’s Corporate and Operational Planning and budget deliberation processes.
- c) **ERM is an integral part of organisation processes** – Management endorsed integration in all business processes.
- d) **ERM informs all decision making** – Decision makers are making informed decisions cognisant of relative risks.
- e) **ERM promotes a safer work environment** – Risk Management integrated with Council’s Workplace Health and Safety, promoting safe work practices and a safer work environment.
- f) **Explicitly addresses uncertainty** – taking account of uncertainty, the nature of uncertainty and how it can be addressed.
- g) **Systematic, structured, timely and tailored.**
- h) **Based on best available information and experience** – Utilisation of generally accepted risk mitigation techniques for managing risks.
- i) **Transparent, inclusive and responsive to change** – Timely involvement of stakeholders.

Definitions

TERM	DEFINITION
CEO	Chief Executive Officer A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position.
Contractor	A person, organisation or entity that performs a specific act or acts including the provision of services and/or materials to another person, organisation or entity under an agreement enforceable by law.
Council	Douglas Shire Council
Employee	Local Government Employee: (a) The Chief Executive Officer; or (b) A person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .
Enterprise Risk Management (ERM)	Enterprise 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 coordination, integration, consolidation and consistency of reporting by the various Council functions with identified risks.
Enterprise Risk Management Framework	Councils adopted systems, processes and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving ERM throughout Council. The Framework provides an expression of intent on what, why and how risk is to be managed and shows how Council provides capacity to manage risks according to the intent.

TERM	DEFINITION
External Stakeholders	Any individual or organisation that can impact, be impacted by, or perceive themselves impacted by, Council’s objectives. For example: Council suppliers.
Risk	A risk to the business is any action or event that has an effect of uncertainty on objectives of Douglas Shire Council. It is measured in terms of consequence and likelihood.

Roles and Responsibilities

All employees are responsible for identification and management of risk. Management are responsible for the devolution of the Risk Management Process and creation of an environment where managing risk forms the basis of all activities.

Related Legislation

Local Government Act 2009

Local Government Regulation 2012

Related Documents

Australian AS ISO 31000:2018 Risk Management – Guidelines

Risk Management Framework

Fraud and Corruption Control Policy

Annual Operational Plan

Internal Audit Plan

Policy Review

This Policy will be reviewed when any of the following evaluations occur:

- The related information is amended or replaced
- Other circumstances as determined by Audit Committee, Management Team and / or Council.

Policy Details

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Revoked/Superseded	

This policy is to remain in force until otherwise determined by Council.