

Risk Management Policy

First Approved	21 October 2019 Resolution Ref: ACM19342
Review Frequency	4 yearly or as required
Status	Mandatory – s 134(4) (b) LG Act
Last Reviewed	Administration update – 16 March 2020 (Resolution Ref: ACM20528) 17 July 2023 (Resolution Ref: C23278)
Next Review Due	July 2027
File Number	18.63.001 / PL2023174
Responsible Division	Office of the CEO
Related Documents	AS ISO 31000:2018 Risk Management Guidelines LG FS Information Paper 22 - Understanding Risk Management Risk Register Risk Management Framework LGAMLS Scheme Rules as gazetted July 2020
Applicable Legislation	Local Government Act (SA) 1999 , s.122, 125 & 134 Work Health and Safety Act 2012 <i>Civil Liabilities Act 1936</i> <i>State Records Act 1997</i>

Purpose

Alexandrina Council recognises that effective management of risk will support successful achievement of its vision and strategic objectives. The purpose of the Risk Management Policy is to enable an integrated and systematic approach to risk management by:

- Articulating Alexandrina 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.

Performance measures

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

- a) Maturity of Councils Risk Culture – includes risk management training, communication processes and reporting mechanisms
- b) Percentage achievement of the Annual Risk Action Plan KPI's
- c) Policy and Framework compliance

Legislative requirement and policy context

- Section 48 of the Local Government Act 1999 ('LG 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)
- Section 125 of the LG Act requires Alexandrina 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.

- Section 132A of the LG Act requires Alexandrina 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.
- Section 134(4) (b) of the LG Act requires Alexandrina 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.
- As a member of the Local Government Association Mutual Liability Scheme, Alexandrina 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.

Roles & responsibilities

Council

The Council is responsible for:

- a) Setting the organisation's policy for managing risk;
- b) Giving adequate consideration to risks when setting objectives and making decisions
- c) Ensuring the organisation has the structures and processes in place to support decision making and management of risk;
- d) Setting an appropriate governance structure for risk and risk management including Internal Audit Group and delegations;
- e) Requiring the CEO to demonstrate that the framework for managing risk is effective and appropriate;
- f) 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;
- g) Considering recommendations from the Internal Audit Group relating to strategic risks or any other risk matter.

Internal Audit Group

The Internal Audit Group is responsible for:

- a) Reviewing reports from the Executive and auditors to ascertain the adequacy of controls that have been implemented;
- b) Providing assurance to and assisting Council to ensure risk management is embedded in all governance processes
- c) Receive regular risk reports both at a Strategic an Operational level, discuss strategic and emerging risks, controls and treatments and provide comment as appropriate

Chief Executive Officer (CEO)

The CEO has the responsibility for:

- a) Promoting a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk;
- b) As a member of the Executive reviewing and endorse the Risk Management Framework;
- c) 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;
- d) Provide overall risk management leadership and maintenance of a risk culture, embedded into decision making;
- e) Ensuring the Executive have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;
- f) 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;
- g) Ensuring compliance with legislative and contractual obligations and policy requirements and activities that include decision making
- h) Lead responsibility for strategic risks (and members of the Executive);
- i) Motivate people to consider taking calculated risks for rewards;

Executive

Members of the Executive Team are responsible for:

- a) Commitment to, and promotion of, this Policy and the Framework;
- b) Reviewing and endorsing the criteria contained within the Risk Management Framework
- c) Monitoring the organisation's overall risk profile and mitigation strategies; Identify new and emerging Strategic risks
- d) Ensuring that risk management is embedded into all functions and activities, including decision making;
- e) 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);
- f) Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk;
- g) Empower staff (and employ a 'no blame culture' to be actively involved in identifying, assessing, and managing risk; including motivating staff to think about taking calculated risk for reward un accordance with Councils Risk Appetite statement once defined.

- h) Provide performance management arrangements that support the desired approach to managing risks
- i) Promote a proactive risk culture in accordance with business management initiatives;
- j) Collectively reviewing strategic risks and considering emerging risks, prior to Internal Audit Group
- k) Ensuring compliance with legislative and contractual obligations and policy requirements

Risk Management Coordinator

The Risk Management Coordinator is responsible for:

- a) Providing guidance and assistance to the Management Team and employees in relation to the application of the framework;
- b) Develop and maintain the Annual Risk Action plan
- c) Support the Chief Executive, Executive, and Managers in the discharge of their risk management responsibilities as part of the decision making process;
- d) Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the Management Team or cascaded to employees, as relevant;
- e) Maintaining this Risk Management Policy and the Framework to ensure their currency and relevance
- f) Maintaining the Risk Register and reporting timeframes as required.

Employees, Volunteers and Contractors (Workers):

All Workers are responsible for:

- a) Understanding the risk management processes that apply to their area of work; and
- b) Identifying, evaluating, reporting and managing, (or escalating,) risks relating to daily activities and projects

Definitions

Definitions are outlined within the Framework.

Policy Statement

The management of risk will be integrated into governance and leadership structures, including decision-making at all levels.

Alexandrina Council is committed to developing and maintaining structured and comprehensive risk management processes that are dynamic and based on best available information.

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.

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

Availability of Policy

This Policy will be available for inspection on the Council's website www.alexandrina.sa.gov.au. Copies can also be provided upon payment of a fee in accordance with Council's Schedule of Fees and Charges.