Risk Management Policy

Strategic Reference	Outcome 5 – Leadership Strategy 3.1 – Council is an organisational leader, reinforcing our position as a leading local government body. Strategy 3.3 - Council takes a responsible approach to financial sustainability Strategy 3.5 - Council reports openly and transparently on its performance.
File reference	AR18/3246
Responsibility	Community & Corporate Department
Revision Number	8
Effective date	August 2001
Last revised date	February 2026
Minutes reference	034/26, 140/21, 257/20, 211/18, 088/18, 046/17, 131/14, 051/12
Next review date	February 2030
Applicable Legislation	Local Government Act 1999
Related Policies	Internal Financial Control Policy Prudential Management Policy
Related Documents	ISO 31000: 2018 Risk Management Guidelines SA HB:436.1:2020 Risk Management Guidelines – companion to AS ISO 31000:2018, Part 1: Boards and executives Risk Management Framework Risk Register Local Government Association Mutual Liability Scheme Rules (gazetted July 2020)

1. Purpose

1.1 Council recognises that effective risk management policies, systems and processes will inform decision making, resource allocation and risk mitigation, which in turn will support successful achievement of its vision and strategic objectives.

1.2 The purpose of the Risk Management Policy ("the Policy") is to enable an integrated and systematic approach to risk management by:

a. Articulating Council's commitment to core risk management principles;

b. 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; and

c. Reviewing and evaluating the effectiveness of Council's policies, systems and procedures established and maintained for the identification, assessment,

monitoring, management and review of the strategic, operational and project risks on a regular basis.

This Policy does not mitigate Council's responsibility to comply with other relevant legislation.

2. Policy Statement

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

2.2 Council is committed to maintaining structured and comprehensive risk management systems and processes that are responsive and based on best available information.

2.3 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.

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

3. Definitions

Risk management definitions can be found in the definitions section of the Standards Australia risk management standard, ISO 31000: 2018 Risk Management Guidelines and the Risk Framework. The key definitions for this policy follow:

"Risk" means the chance of something happening that will have an impact on the achievement of the Council's objectives. Risk is measured in terms of consequences and likelihood.

"Risk Analysis" means the process to comprehend the nature of the risk and to determine the level of the risk.

"Risk Appetite" means the amount of risk an organisation is prepared to accept in pursuit of its objectives.

"Risk Assessment" means the overall process of risk analysis and evaluation.

"Risk Management" means the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the Council environment.

"Risk Management Framework" means 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" means the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, monitoring, treating risks and communicating risk.

4. Performance Measures

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

a. Number of strategic objectives achieved (as a percentage of total)

b. Year-on-year reduction in strategic risks rated “extreme” and “high”

c. Percentage of strategic risks within risk appetite

d. Number of Elected Members and employees trained in risk management fundamentals (as a percentage of total)

e. Tangible improvement in risk maturity modelling

f. Percentage achievement of risk profiling action plan actions

g. Number of reports provided to the Audit & Risk Committee outlining actions completed for non-conforming internal and external audit findings

5. Legislative Requirements and Context

5.1 Section 48 of the Local Government Act 1999 (“the 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 Chief Executive Officer and to Council).

5.2 Section 99(1)(ia) of the LG Act requires the Chief Executive Officer to ensure that effective policies, systems and processes are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.

5.3 Section 125 of the LG Act requires 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.

5.4 Section 125A of the LG Act requires the person primarily responsible for the internal audit function to ensure that any reports they prepare relating to the internal audit function are provided directly to the Audit & Risk Committee and may report any matters relating to the internal audit function directly to the Audit & Risk Committee.

5.5 Section 126/126A(4)(g) of the LG Act requires the Audit & Risk Committee to provide oversight of planning and scoping of the internal audit work plan, and to review and comment on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis.

5.6 Section 126/126A(4)(h) of the LG Act requires the Audit & Risk Committee to review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.

5.7 Section 132A of the LG Act requires 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.

5.8 Section 134(4)(b) of the LG Act required Council to adopt risk management policies, controls and systems by a resolution passed by at least a two thirds majority of

Elected Members prior to entering into financial arrangements for the purpose of managing, hedging or protecting against interest rates or other costs of borrowing money.

5.9 As a member of the Local Government Association Mutual Liability Scheme, 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.

5.10 Council will follow the nine principles of risk management to enable the best possible outcomes are obtained for all Council stakeholders.

The guiding principles Council has adopted to risk management are:

a) Integrated - an integral part of all Council processes

b) Part of decision-making - aids decision-makers in making informed choices and identifying the most effective course of action

c) Structured and comprehensive - contributes to efficiency and to consistent and comparable quality results and outcomes

d) Best Available Information - based on historical and current information, as well as on future expectations, taking into account any limitations and uncertainties associated with such information/data and expectations.

e) Customised - aligns with the internal and external context related to our objectives

f) Inclusive - requires appropriate and timely involvement of to enable their knowledge, views and perceptions to be considered

g) Dynamic - anticipates, detects, acknowledges and responds to changes in Council's internal and external contexts that result in new risks emerging and others changing or disappearing. Improving Council's agility and ability to respond to changes in a timely manner

h) Human and cultural factors - recognises that our behaviour, beliefs and culture can significantly influence the achievement of objectives

i) Continual improvement - learning and experience drives continuous improvement, council strives to be a learning organisation.

6. Risk Management Framework

The Framework describes a whole of organisation approach towards the management of risks across Council incorporating strategic, operational and project activity. The Framework is aligned to ISO 31000: 2018 Risk Management Guidelines and is a component of this Policy. It outlines the methodology adopted to identify, assess, manage and report on risks and integrates the process for managing risk into the organisation's various systems such as:

- Governance
- Strategic planning
- Management
- Reporting processes
- Policies
- Values
- Culture

Council acknowledges that the adoption of a strategic and formal approach to risk management will provide numerous benefits impacting positively on various aspects of the organisation. These include but are not limited to:

- The customer experience
- Achievement of the strategic plan and objectives
- Enhancing health and safety performance and environmental protection
- Decision-making and productivity
- Transparency of information
- Governance
- Financial management
- Managing business interruption, hazards and incidents
- The identification and management of opportunities and threats
- Effective allocation of resources and continual improvement
- Legal and regulatory compliance.

7. Responsibility for Risk Management

7.1 Council is responsible for:

a. Setting the organisation's risk appetite and policy for managing risk (and determining the appropriate level of risk that Council is willing to accept).

b. Giving adequate consideration to risks when setting objectives and making decisions.

c. Fostering a culture that is consistent with the organisation's appetite for risk.

d. Ensuring the organisation has the structures and processes in place to support decision making and management of risk.

e. Setting an appropriate governance structure for risk and risk management (including the Audit & Risk Committee and delegations).

f. Requiring the Chief Executive Officer to demonstrate that the framework for managing risk is effective and appropriate.

g. Requiring the Chief Executive Officer to provide information to allow Council to understand the risks that may have material impacts on achievement of the organisation's objectives.

h. Considering recommendations from the Audit & Risk Committee relating to strategic, financial and operational risks or any other risk matter.

7.2 The Audit & Risk Committee is responsible for:

a. Reviewing and recommending endorsement of the criteria contained within the Risk Management Framework.

b. Monitoring Council's responsiveness to recommendations for improvement based on previous audit and risk assessments, including those raised by Council's auditor.

c. Providing oversight of the planning and scoping of the internal audit work plan and reviewing internal audit reports on at least a quarterly basis.

d. Reviewing and evaluation the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.

e. Monitoring strategic risks on a quarterly basis.

7.3 The Chief Executive Officer is responsible and accountable for ensuring that risk management systems are established, implemented and maintained in accordance with this policy. Assignment of responsibilities in relation to risk management is the prerogative of the Chief Executive Officer by:

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. Reviewing and endorsing the Risk Management Framework.

c. Ensuring that effective policies, systems and processes are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial, operational and project risks, and providing a report to the Audit & Risk Committee on a regular basis.

d. Allocating and upholding accountability for managing risk.

e. Ensuring the Senior Leadership Team and risk owners have the necessary knowledge and skills to effectively fulfil their risk management responsibilities.

f. Regularly reviewing strategic, financial 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.

h. Providing reliable information about risks, controls and their effectiveness to Council.

i. Reporting annually to the Audit & Risk Committee on the internal audit processes.

j. Escalating all strategic risks that exceed the organisation's risk appetite to the Audit & Risk Committee, or Council, as required.

7.4 The Senior Leadership Team (SLT) and Risk Owners are responsible for:

a. Commitment to, and promotion of, this Policy and the Framework.
b. Monitoring the organisation's overall risk profile and mitigation strategies.
c. Ensuring that risk management is embedded into all functions and activities, including decision making.
d. 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).
e. Incorporating risk treatments into departmental/divisional/business unit plans.
f. Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively involved in managing risk for their level of control;
g. Providing incentives and performance management arrangements that support the desired approach to managing risk.
h. Promoting a proactive risk culture in accordance with business management initiatives.
i. For SLT and risk owners; reviewing the strategic risks and considering emerging risks at least annually.
j. Ensuring compliance with legislative and contractual obligations and policy requirements.

7.5 The Work Health Safety & Risk Officer is responsible for:

a. Providing guidance and assistance to the Executive Leadership Team and employees in relation to the application of this policy and risk framework.
b. Ensuring relevant risk information is recorded in the Risk Register and reported (and escalated, where relevant) to the SLT or cascaded to workers.
c. Maintaining this Policy and the Framework to ensure its currency and relevance.
d. Maintaining the Risk Register and reporting timeframes as required.

7.6 All Workers (which comprises employees, volunteers and contractors) are responsible for:

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

8. Availability/Accessibility

This policy is available for inspection at Council's offices during normal business hours & Council's website and will be emailed to interested parties on request (please lodge request in writing via email to council@coorong.sa.gov.au).

9 Document History

This Policy shall be reviewed at least every four (4) years or more frequently if legislation or Council requires.

Version	Adopted	Minute No	Description of change(s)
1	21 February 2012	051/12	Cyclical review
2	24 June 2014	131/14	Cyclical review
3	21 March 2017	046/17	Cyclical review
4	15 May 2018	088/18	Cyclical review
5	16 October 2018	211/18	Cyclical review
6	20 October 2020	257/20	Cyclical review
7	29 June 2021	140/21	Updated strategic references to the Community Vision Plan 2021 – 2025 Removed reference to the 'Work Health and Safety Policy' Inclusion of document history table Changed review date to four years to align with renewal date of the Community Vision Plan General formatting of document
8	17 February 2026	034/26	Policy revised (in full) to align with the Local Government Association Mutual Liability Scheme template 6.0 (July 2025)