ENTERPRISE RISK MANAGEMENT

STATEGIC POLICY

Responsible Department: Cabonne Services

Responsible Section: Governance and Corporate Performance

Responsible Officer: Department Leader Governance and Corporate Performance

Objective

Council has a Common Law duty of care and statutory responsibility to ensure that enterprise risk management is incorporated in all aspects of its business. The relevant standard is ISO 31000:2018 Risk Management – Principles and Guidelines.

Fundamental to enterprise risk management are the following objectives:

- To improve the identification of opportunities and threats
- To identify and analyse the organisations liability associated with risk exposure
- To protect staff, contractors and the community against personal, physical and financial losses that are within the control of the Cabonne Council
- To protect the corporate image as a professional, responsible and ethical organisation
- To recognise that enterprise risk management is the responsibility of all managers and staff
- To promote and support enterprise risk management practices throughout the organisation
- To monitor the risk management practices of the organisation to ensure continued effectiveness, consistency and efficiency
- To adopt enterprise risk management processes as ser out in the International Standard for Risk Management ISO 31000:2018 and the Office of Local Government Guidelines (pending) and any other relevant guidelines and standards.
- Compliance with relevant legal and regulatory obligations
- Oversight of implementation and continuous improvement through regular reporting to the Executive and the Audit, Risk and Improvement Committee.

Introduction

Cabonne Council recognises that risk management is essential for sound strategic and financial planning. To achieve this, enterprise risk management will have a consistent approach across the organisation. Standards and systems have been devised, implemented and continually reviewed for improvement. This involves all risk exposures to Council that may impede the achievement of

objectives. Enterprise risk management is not a stand-alone function that is separate from the main activities and processes of the organisation. It is an integral part of all organizational processes including strategic planning, project and change management processes.

Policy

Cabonne Council is actively committed to:

- Ensuring that all decision making within the organisation involves the consideration of risk and the application of enterprise risk management
- Ensuring that the enterprise risk management process is integrated into the business processes of the organisation
- Assigning accountabilities and responsibilities at appropriate levels within the organisation
- Ensuring that the necessary resources are allocated to risk management
- Ensuring that the framework for the management of risk continues to remain appropriate
- Protecting the organisation, its employees, contractors, assets and the community against reasonably foreseeable loss and injury, and
- Ensuring legal and regulatory compliance

In accordance with its common law duty of care, statutory responsibilities and Council policy, the Council will make certain that resources are allocated to:

- Maintain staff health and safety
- Maintain Council's assets
- Ensure continuity of service
- Reduce Councils liability and minimise or eliminate other circumstances, where possible, which may case a loss to Council, and
- Assign sufficient funds in the budget to maintain a pro-active approach to risk management

Cabonne Council recognizes that risk management is essential for sound strategic and financial planning and ongoing business.

Responsibilities

The policy applies to all Council employees, operations, functions and programs. This includes any activities undertaken on behalf of the Council, by contractors or representatives of Council.

Audit, Risk and Improvement Committee: will:

- Monitor, review and advise the Council on the standard of it risk management
- Make assessments and recommendations in relation to risk management and measure and evaluate the effectiveness by reviewing Cabonne's activities
- Endorse and monitor the comprehensive risk based cyclical strategic audit plan.

Council: will review the Enterprise Risk Management Policy and amend as required and provide adequate budgetary provision for risk management strategies to be implemented.

General Manager: has the ultimate responsibility for ensuring that Enterprise Risk Management is managed across the Council.

Leadership Team: responsible for:

- Monitoring quarterly reports from the Risk and Legal Coordinator which include the operational and strategic risk register actions, insurance claims and trends.
- Providing leadership and being the driving force to the processes underpinning the Risk Management Framework.
- Maintaining a risk aware, and trained workforce.
- Implementing the Risk Management Action Plans.

Risk and Legal Coordinator: responsible for:

- Developing, implementing and overseeing the Enterprise Risk Management Program
- Reporting to the Executive on compliance and the Audit, Risk and Improvement Committee.

Definitions

Council: Cabonne Council.

Councillors: Individuals holding the office as a member of Cabonne Council.

Council Officer: General Manager and staff of Council appointed by the General Manager.

Risk: A Risk is defined as the effect of uncertainty on objectives.

Risk Management: Coordinated activities to direct and control an organisation with regard to risk.

Risk Management Framework: The set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation

References

Local Government Act 1993 (NSW)
International Standard ISO 31000:2018

History

Minute No.	Summary of Changes	New Version Date
14/12/06	This is a new Policy replacing Cabonne Council's current Risk Management Policy (Minute 10/11/11)	16 December 2014

18/02/17	Changes made and readopted as per s165(4)	27 February 2018
20/02/14	Accountabilities added to comply with the Standard and to comply with insurers requirements	25 February 2020
22/09/16	Transferred to new policy template and aligned to the restructure of council departments and new format. Removed "Reporting" heading as it has been included in the policy objectives.	27 September 2022