

Risk Management Policy

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| Policy Reference Number | 5979756 |
| Responsible Department | Executive Services |
| Related Policies | Business Continuity Policy, Emergency Management Policy |
| Related Procedures | Risk Management Framework |
| Date of Initial Adoption | 21 September 2004 |
| Last Reviewed by Council | 15 August 2023 |

1. Purpose

The purpose of this Policy is to state Campbelltown City Council's commitment to an integrated approach to risk management for its operations, and specify responsibilities for risk management across Council.

The Council recognises that risk is inherent in all of its activities and that effective management of risk is necessary in order to achieve its Vision and Strategic Plan Objectives, and to meet community expectations. Risk management also protects Council's Employees, volunteers, assets, liabilities and the Community against potential losses.

2. Power to Make the Policy

Section 134(4)(b) of the Local Government Act 1999 (the Act) requires Council to adopt risk management policies, controls and systems specifically in relation to borrowing and other financial arrangements.

It is prudent for Council to make this Policy in order to also address other risks identified in the Act.

3. Strategic Plan Link

This Policy has the following link to Council's Strategic Plan 2024:

- Leading Our People (Goal 5)

4. Principles

Council is committed to maintaining and applying governance and risk management principles to ensure that any impacts to strategic and business objectives are considered and minimised.

Council will adopt and implement a systematic approach to identify, assess, evaluate and treat (mitigate and manage) risks. The risk management program involves identifying both opportunities and threats to achieving Council's strategic goals.

Risk management is a part of all decision making. It aids decision makers in making informed choices and identifying the most effective course of action.

Council will maintain risk management practices and a Risk Management Framework consistent with the guidelines and principles of risk management as set out in the Australian Risk Management Standard ISO 31000:2018 and the eight principles which guide how risks are managed across Councils:

| Principle | Description |
|--|---|
| <i>Integrated</i> | An integral part of all organisational processes. |
| <i>Structured and comprehensive</i> | Contributes to efficiency and to consistent and comparable results. |
| <i>Best available information</i> | Based on historical and current information, as well as on future expectations, taking into account any limitations associated with such information and expectations. |
| <i>Customised</i> | Aligns with the internal and external context related to our objectives. |
| <i>Human and cultural factors</i> | Recognises that the behaviour and culture can significantly influence the achievement of objectives. |
| <i>Inclusive</i> | Requires appropriate and timely involvement of stakeholders to enable their knowledge, views and perceptions to be considered. |
| <i>Dynamic</i> | 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. |
| <i>Continual improvement</i> | Learning and experience drives continuous improvement. |

Council will integrate risk management into its corporate culture and its everyday business operations at the strategic, project, operational and emergency risk levels.

Council will be mindful of the need to achieve a balance between the costs of managing risk and the anticipated benefits with a view to maximising opportunities and minimising negative outcomes.

The Risk Management Policy and Framework will apply to all activities undertaken by Council, its Employees, volunteers and contractors.

5. Definitions

Definitions for the purpose of this Policy are:

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| Risk: | The effect of uncertainty on objectives. For Council, a risk is anything that could affect the achievement of Council objectives. Risk may arise from incomplete knowledge, an event, an action, or from a lack of action. It is measured in terms of consequence and likelihood. |
| Consequence: | The potential impact of risk to the Council. |
| Likelihood: | The level of possibility that the Council could be exposed to a particular risk. |
| Risk Management: | The culture, processes and structures directed towards the effective management of potential opportunities and adverse effects. |
| Risk Rating: | Risk priority based on consequence and likelihood assessment. |
| Risk Treatment: | The selection and implementation of appropriate options for mitigating and managing risk. |
| Employee: | Any person who is in either full time or part time employment in any department or location of the Council and includes casual Employees, temporary Employees, contract Employees, temporary labour and consultants working in the Council. |
| Leaders | Managers, Team Leaders and Coordinators that lead other Employees within the City of Campbelltown. |
| Volunteers | Volunteers of Campbelltown City Council including work experience students. |

6. Policy

6.1 Risk Management Process

The risk management process to be undertaken will include the following elements:

- **Communicate and consult**
Communication and consultation are important elements during each step of the risk management process so that everyone involved can understand the basis on which risk management decisions are made and why particular actions are required.
- **Establish the context**
The goals, objectives, strategies, scope and parameters of the activity, or part of the Council organisation to which the risk management process is being applied will be defined.
- **Identify risks**
The aim of risk identification is to develop an inclusive list of events that may occur which, if they do, are likely to have an impact on the

achievement of Council's objectives. Council identifies, assesses and treats risk in the three (risk types), operational, strategic and project.

- **Analyse risks**

The existing controls will be determined and the risks will be analysed in terms of consequence and likelihood in the context of those controls. The analysis will consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood may be combined to produce an estimated level of risk.

- **Evaluate risks**

The estimated levels of risk will be compared against pre-established criteria. This will enable risks to be ranked so as to identify management priorities. If the levels of risk established are low, then risks may fall into an acceptable category and treatment may not be required.

- **Treat risks**

Medium and Low priority risks will be accepted and monitored. For high and very high risks, a specific action plan will be developed and implemented in accordance with the available funding and reported to the Audit and Governance Advisory Committee if still considered Very High after the implementation of risk controls.

- **Monitor and review**

Performance of the risk management system will be monitored and reviewed to take account of any changes which might affect it.

6.2 Risk Register

Council will maintain a Risk Register which enables:

- Council to document, manage, monitor and review strategic, operational and project risk information in order to build a risk profile, manage Council risk and provide direction on how to improve the risk management framework.
- All Employees have access to the risk register.

6.3 Emergency Risk Management Framework

Council plans for, and undertakes, prevention, preparedness, response and recovery activities to support its Community in the event of emergencies and natural disasters. This process includes alignment and co-operation with lead agencies and other Councils in the region (including Eastern Adelaide Zone Emergency Management Committee) as well as providing information and training for workers to protect them from harm whilst responding to emergencies (eg Business Continuity Plan) and natural disasters.

Further details about emergency management arrangements are available from the Council's Emergency Management Policy and Emergency Management Plan.

6.4 Responsibilities

6.4.1 Employees

All Employees are responsible for identifying potential risks and for the effective management of risk. As such they will have access to information regarding the Council's risk management process, and the identified risks in their work area from the Risk Register.

6.4.2 Volunteers

Volunteers are encouraged to identify risks and report them to the Employees to whom they report.

Volunteers are also responsible for complying with risk management instructions provided to them through induction, training and other mechanisms whilst volunteering for Campbelltown City Council.

6.4.3 Chief Executive Officer

The Chief Executive Officer is responsible for ensuring that a risk management process is established, implemented and maintained in accordance with this Risk Management Policy and the Risk Management Framework.

6.4.4 Executive Management Team

The Executive Management Team, led by the Chief Executive Officer, is responsible for oversight of the risk management process, for determining an acceptable level of risk, and for monitoring Council's overall risk profile and risk treatment strategies.

6.4.5 Business Units

Leaders are responsible for the implementation of the Risk Management Policy and Risk Management Framework within their respective areas of responsibility including the identification, assessment and recording of risks identified, and the acceptance or assignment of risk responsibility, ongoing assessment and registering of risk as part of business and project planning and management.

7. Review & Evaluation

Within six months of each new Council term Council will review this policy. Following this initial review this policy will be reviewed annually by staff with minor administrative adjustments being approved by the Chief Executive Officer.

8. Availability of the Policy

Copies of this Policy will be available at Council's principal office during ordinary business hours and at Council's website www.campbelltown.sa.gov.au.