RISK MANAGEMENT POLICY

Policy No: **DCSB-SM-18.01**	Approved on: **19 November 2024**	Administered by: **Chief Executive Officer**
Last Reviewed: **September 2022**	Review Date **19 November 2027**	Record No: **443141**
Classification: **Strategic Management**		
Strategic Plan link: **A Council that is Actively Responsive to Community Needs and Delivers Financially Sustainable Governance and Executive**		
References and related Policies, Procedures and Forms: *Local Government Act 1999* *Work Health and Safety Act 2012* *Civil Liabilities Act 1936* *State Records Act 1997* *SA HB:436.1:2020 Risk Management Guidelines – companion to AS ISO 31000:2018, Part1: Boards and executives* LGAMLS Scheme Rules (gazetted July 2020) DCSB Risk Management Framework Health Safety and Return to Work Policy Business Continuity Plan Disaster Recovery Plan		

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1. Policy statement

1.1. District Council of Streaky Bay 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:

- Articulating District Council of Streaky Bay's commitment to core risk management principles;
- Supporting the maintenance of a Risk Management Framework ("the Framework") that comprises the tools and processes that underpin the organisation's risk management approach; and
- Reviewing and evaluating the effectiveness of District Council of Streaky Bay's 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.

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. District Council of Streaky Bay is committed to further developing and maintaining structured and comprehensive risk management systems and processes that are dynamic and based on best available information.

2.3. Engagement with District Council of Streaky Bay 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. District Council of Streaky Bay will monitor and review its strategic, financial, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

3. Performance measures

The performance of the risk management program will be measured through the following performance indicators, and to be reported annually:

a) Number of Strategic Objectives (as per Strategic Risk Plan) achieved (as a percentage of total).

b) Number of Elected/Audit Committee Members and employees trained in risk management (as a percentage of total.

4. Legislative requirement and policy context

4.1. 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.)

4.2. Section 99(1)(ia) of the LG Act requires the CEO 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.

4.3. Section 125 of the LG Act requires District Council of Streaky Bay 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.

4.4. Section 126 (4)(h) requires the council audit and 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;

4.5. Section 132A of the LG Act requires District Council of Streaky Bay 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.

4.6. Section 134(4) (b) of the LG Act requires District Council of Streaky Bay to adopt risk management policies, controls and systems by a resolution passed by at least a two thirds majority of the members 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.

4.7. As a member of the Local Government Association Mutual Liability Scheme, District Council of Streaky Bay 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. Definitions

Definitions are outlined within the Framework.

6. Roles & responsibilities

6.1. Council

The Council is responsible for:

a) Setting the organisation's risk appetite and policy for managing risk;

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 Audit and Risk Committee and delegations;

~~f)~~ Requiring the CEO to demonstrate that the framework for managing risk is effective and appropriate;

g) 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; and

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

6.2. Audit and Risk Committee

The Audit and Risk Committee is responsible for:

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

b) Monitoring District Council of Streaky Bay's responsiveness to recommendations for improvement based on previous audit and risk assessments, including those raised by Council's auditor;

c) Reviewing and evaluating 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; and

d) Monitoring strategic risks on a biannual basis.

6.3. 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) Reviewing and endorsing the Risk Management Framework;

c) Ensuring that effective policies, systems and processes are established and maintained for the identification, assessments, monitoring, management and annual review of strategic, financial and operational risks and providing a report to the audit and risk committee on a regular basis;

d) Allocating and upholding accountability for managing risk;

e) Ensuring the Executive Management Team 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 the Council;

i) Reporting annually to the audit and risk committee on the internal audit processes; and

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

6.4. Executive Management Team

Members of the Executive Management Team 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 plans;

f) Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk;

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) Collectively reviewing strategic risks and considering emerging risks, (prior to Audit and Risk Committee meetings); and

j) Ensuring compliance with legislative and contractual obligations and policy requirements.

6.5. General Manager of Business

The General Manager of Business is responsible for:

a) Providing guidance and assistance to the Executive Management Team and employees in relation to the application of this framework;

b) Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the Executive Management Team or cascaded to workers, as relevant;

c) Maintaining this Risk Management Policy and the Framework to ensure their currency and relevance; and

d) Maintaining the Risk Register and reporting timeframes as required.

6.6. 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.

7. Review

This policy will be reviewed every 3 years, or more frequently if legislation, relevant standards or organisational needs change.

8. Records Management

All records shall be kept and disposed of in accordance with Councils Records Management Policy & procedure and the current General Disposal Schedule.

9. Further Information and Policy Availability

9.1 This policy will be available for inspection at the Council offices listed below during ordinary business hours and available to be downloaded, free of charge, from Council's internet site: www.streakybay.sa.gov.au

District Council of Streaky Bay

29 Alfred Terrace

Streaky Bay SA 5680

Copies will be provided to interested parties upon request. Email dcstreaky@streakybay.sa.gov.au

10. Review History

Document History		
Version	**Issue Date:**	**Description of Change**
1.0	Sept 2016	New Document
2.0	April 2018	Revised to reflect ISO31000:2018 updates
3.0	May 2018	Updated for member centre
4.0	June 2020	Updated logo, Updated as per scheduled review and reflects the AS ISO 31000:2018
4.1	June 2020	Updated reference to Australian standard AS ISO 31000: 2018 – Risk management Guidelines, minor formatting
5.0	January 2022	Addition of State Records Act, removed reference to "Council", inclusion of measurable performance measures, addition of Scheme rules reference at 4.5, alignment of roles & responsibilities with Framework, addition of drafting notes, formatting
5.1	February 2024	Incorporation of LG Act amendments (s99, s125, S126, s126A)
6.0	November 2024	Council update as per LGAMLS amendments

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