

Risk Management

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1. Preamble

Management of risk is the cornerstone of good decision-making. It enables the City of Mitcham ("Council") to meet the expectations of its many stakeholders and provide quality services to its community.

Section 125(3) of the Local Government Act states that risk management will assist Council '...to achieve its objectives, inform appropriate prioritization of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to Council.'

2. Purpose

The purpose of the Risk Management Policy is to provide guidance regarding the management of risk to support the achievement of corporate objectives, protect staff and Council assets and ensure financial sustainability. Specifically, this policy will:

- Articulate Council's commitment to core risk management principles.
- Reflect that risk management is integrated in Council's planning and decision-making processes.

3. Scope

This policy applies across the City of Mitcham. Where more detailed risk management policies or procedures are developed to cover specific areas of Council (for example, finance, work health and safety, governance) they should comply with the broad directions detailed in the Policy.

4. Definitions

Risk: A possible event / incident / issue that, if it occurs will have an impact on objectives.

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

Stakeholder: A person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity.

Risk Management Framework: A 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 Policy: A statement of the overall intentions and direction of an organisation related to risk management.

Monitoring: The process of frequently checking, supervising, critically observing or determining the status in order to identify change from the performance level required or expected.

Opportunity: Something that offers a prospect for advancement or success in achieving objectives.

5. Principles

5.1. Risk Management creates and protects value.

Risk Management contributes to the demonstrable achievement of objectives and improvement of performance in such undertakings as prudential management, internal controls, health & safety, legal and regulatory compliance, public acceptance, environmental protection, project management, change management, emergency management, governance and strategic planning.

5.2. Risk Management is part of decision-making.

Risk Management helps decision makers make informed choices, prioritise actions and distinguish alternative courses of action.

5.3. Risk Management is an integral part of all organisational processes.

Risk Management is not a stand-alone activity that happens separate from the main activities and processes of the organisation. Risk Management is part of the responsibilities of management and an integral part of all organisational processes, including strategic planning and all project and change management processes.

5.4. Risk Management is systematic, structured, comprehensive and timely.

A systematic, structured, comprehensive and timely approach to risk management contributes to efficiency and to consistent, comparable and reliable results.

5.5. Risk management will comply with legislative requirements.

Section 125 of the Local Government Act 1999 ('LG Act') requires Council to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.

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.

Section 134(4) (b) of the LG Act requires Council to adopt risk management policies, controls and systems.

5.6. Risk management is customised.

Risk management aligns with the internal and external context related to our objectives.

5.7. Risk management is influenced by human and cultural factors.

Human behaviour and culture significantly influence all aspects of risk management at each level and stage.

5.8. Risk management is inclusive.

Risk management requires appropriate and timely involvement of a wide variety of stakeholders to enable their knowledge, views, experience and perceptions to be considered.

5.9. Risk management is dynamic.

Risk management 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.

5.10. Risk management undergoes continual improvement.

Learning and experience drives continuous improvement.

5.11. Risk management incorporates best available information.

The inputs to risk management are based on historical and current information, including future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations.

5.12. Risk management will comply with relevant international standards.

Risk management activities will be informed by and be consistent with the International Standards for Risk Management (ISO 31000:2018).

5.13 Performance measures will be measured in three categories:

- a. Compliance with this policy and related documentation.
- b. Maturity of the risk management program and culture; and
- c. Value add to Council's objectives.

6. Policy Statements

- 6.1. 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 analysed.
- 6.2. A Risk Management Framework ("the Framework") provides further detail and tools to underpin Council's approach to achieving a balance between the costs of managing a risk and the anticipated benefits.
- 6.3. Council will adopt and implement a systematic approach to identify, assess, evaluate and treat (mitigate) risks. The risk management process involves identifying opportunities to ensure Council achieves its objectives.
- 6.4. Council's risk tolerance (risk appetite) deems that risks initially rated as extreme or high will require additional controls.
- 6.5. Risk owners and managers across the organisation will lead, actively participate and have complete oversight over all aspects of risk management within their areas of responsibility.
- 6.6. The criteria to be used for risk assessments are those detailed in the Framework.
- 6.7. All risks are to be recorded and updated within Council's risk register.

- 6.8. The corporate risk register is to be periodically and consistently reviewed in accordance with the timeframes specified in Council's Risk Management Framework.
- 6.9. Risks initially rated high or extreme are to be reported to the Audit Committee quarterly.
- 6.10. All reports to Council will consider the Risk Management implications of the decision being made.
- 6.11. Where appropriate / relevant Council will be engaged in the risk management process for new and / or emerging risks or when existing risk ratings have escalated which are deemed to have major consequences on the operations of Council or the community.
- 6.12. Council will maintain the Framework consistent with the guidelines and principles of risk management as set out in the International Standard ISO3100:2018, with the goal of providing a consistent approach for dealing with uncertainties likely to impact on the achievement of Council's Vision.

7. Roles & Responsibilities

Refer to Risk Management Framework.

8. Policy Review

This policy will be subject to review every four (4) years or sooner at the discretion of the relevant General Manager.

The CEO has delegated authority to endorse any amendments to the policy that do not vary the intent of the policy.

9. Version History

Version	Author(s) Position	Changes	Date
2	Risk Advisor	Comprehensive redevelopment	11/12/2014
3	Organisational Risk Officer	Content reviewed and updated to reflect ISO 31000:2018	19/2/2019
4	Organisational Risk Officer	Updated review date from March 2021 to March 2023 in line with requirements of Council's policy review process.	March 2021
5.0	Organisational Risk Officer	Scheduled review resulting in minor amendments.	May 2023
5.1	Organisational Risk Officer	Amendments per Audit & Risk Committee and Full Council direction	8/8/2023

10. Document Control

Responsible Team	Governance		
Delegations Contained within Policy	NO		
Applicable legislation	Local Government Act 1999, WHS Act 2012		
Related Policies & Corporate Documents	Risk Management Framework, Internal Controls Policy.		
Additional references	Nil		
Endorsed by Council	8/08/2023	Item No:	12.1
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