

 City of Mount Gambier	COUNCIL POLICY RISK MANAGEMENT	Version No:	3
		Issued:	17 June 2025
		Next Review:	June 2027

1. PURPOSE

- 1.1. The City of Mount Gambier (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 approach to risk management through:
 - Articulating Council's commitment to core risk management principles;
 - Defining responsibilities for the application of risk identification, assessment, evaluation and treatment programs across Council operations;
 - Supporting the implementation and maintenance of a Risk Management Framework ("the Framework") that provides the tools and programmes to underpin Council's approach to achieving a balance between the costs of managing a risk and the anticipated benefits.
- 1.3. The management of risk will be integrated into Council's governance structures, including decision making. Risk Management leads to the successful achievement of Council's Vision, Strategic Plan Objectives and community expectations.
- 1.4. To achieve the objectives of the Policy, the Framework has been developed.

2. POLICY STATEMENT

- 2.1. 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.
- 2.2. Council will adopt and implement a systematic approach to identify, assess, evaluate and treat (mitigate) risks. The risk management program involves identifying opportunities to ensure Council achieves its strategic goals whilst recording and managing its operational risks.
- 2.3. Management will lead, actively participate and have complete oversight over all aspects of risk management within their areas of responsibility.
- 2.4. Council will maintain the Framework consistent with the guidelines and principles of risk management as set out in the International Standard ISO 31000:2018 - Risk Management Guidelines, with the goal of providing a consistent approach for dealing with uncertainties likely to impact on the achievement of Council's Vision.
- 2.5. The risk register(s) will be periodically and consistently reviewed in accordance with set timeframes identified in the Framework.

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3. PERFORMANCE MEASURES

The performance of the risk management program will be measured through three distinct categories:

- Compliance with the Policy and related Risk Management Framework, through internal and external auditing and evaluation.
- Value add to the whole of Council, including achievement of Strategic Objectives.
- Benchmarking, Monitoring and Development of Council's Risk Maturity and Culture.

4. LEGISLATIVE REQUIREMENT AND POLICY CONTEXT

- 4.1 Section 99(1)(ia) of the Local Government Act 1999 ('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.
- 4.2 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 Council to carry out its activities in an efficient and orderly manner to achieve its objectives.
- 4.3 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.
- 4.4 Section 134(4)(b) of the LG Act requires Council to adopt risk management policies, controls and systems.

5. DEFINITIONS

Definitions are outlined within the Framework.

6 APPETITE AND TOLERANCE

Council acknowledges that there is significant risk in taking no risks at all (being unreasonably risk-averse). Organisations must take calculated risks to release opportunity, but they must evaluate and treat risks accordingly to do so successfully.

Council has adopted a Risk Appetite Statement which articulates the boundaries within which risks are acceptable to achieve Council's strategic objectives. Council's appetite and tolerances provide guidance on the acceptable risk rating target for any identified risks, to inform how a risk is appropriately managed.

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7. ROLES & RESPONSIBILITIES

7.1 Council

Council is responsible for the approval of this Policy and overseeing the systematic approach to managing risk across Council operations, including:

- Setting the organisation's risk appetite and policy for managing risk;
- Giving adequate consideration to risks when setting objectives and making decisions;
- Fostering a culture that is consistent with the organisation's appetite for risk;
- Ensuring the organisation has the structures and processes in place to support decision making and management of risk;
- Setting an appropriate governance structure for risk and risk management including Audit and Risk Committee and delegations;
- Considering recommendations from the Audit and Risk Committee relating to strategic, financial and operational risks or any other risk matter.

7.2. Audit and Risk Committee

The Audit and Risk Committee is responsible for monitoring and evaluating appropriate internal control and risk management policies, processes and systems 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, including:

- Reviewing and recommending endorsement of the criteria contained within the Risk Management Framework;
- Monitoring overall responsiveness for improvement based on previous audit and risk assessments, including those raised by Council's auditor;
- Providing oversight of the planning and scoping of the internal audit work plan and reviewing internal audit reports on a regular basis;
- 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.

7.3 Chief Executive Officer (CEO)

The CEO has the responsibility for :

- Promoting a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk;
- Ensuring that a Framework is established and implemented;
- 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;
- Risk management is integrated into Council's activities and functions.

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7.4 Executive Team

Members of the Executive Team are responsible for:

- Commitment to promotion of this Policy and the Framework whilst monitoring Council's overall risk profile and controls;
- Contributing to the reporting of relevant risk activities to the Audit and Risk Committee; The implementation, management and evaluation of risk management, in accordance with the Policy and Framework within their areas of responsibility;
- Undertaking the risk management program as per the requirements of the Policy and Framework; and
- Ensuring that risk based information is identified and recorded in Council's Risk Register through the organisations Risk Coordinator.

7.5 Management Team

The Management Team together with the Risk Coordinator is responsible for:

- Assisting the Executive Team to develop, implement and maintain the risk management framework and program in a systematic and standardised manner;
- Development and maintenance of a Risk Register(s) that records reasonably foreseeable Operational and Strategic risks, including risk mitigation strategies;
- Assisting the Executive Team in development and compilation of reports relating to Council's risk profile and mitigation strategies.

7.5 Leadership Team

The Leadership Team is responsible for:

- Assisting the Executive and Management Teams to implement, maintain and report on the risk management framework and program in a systematic and standardised manner.

7.6 Risk Management (Function)

The Risk Management (Function) includes responsibility for:

- Coordination of risk management activities, programming and strategy in accordance with Council Policy and Framework;
- Providing guidance and assistance to the Executive Management Team and employees in relation to the application of the Framework;
- Maintaining this Risk Management Policy and the Framework to ensure their currency and relevance;
- Facilitating reporting of the status of Council's risk profile and mitigation strategies to the Audit and Risk Committee.

7.7 Employees, Elected Members, Volunteers and Contractors:

All Council Employees, Elected Members, Volunteers and Contractors are responsible for:

- Identifying, evaluating and managing risks in their daily activities and projects;
- Adhering to the requirements of Council's Risk Management Policy and Framework.

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8. AVAILABILITY

8.1 The Policy will be available on Councils website with hard copies supplied on request.

9. REVIEW & EVALUATION

Council will review this Policy once during every two (2) year period, or upon significant legislative change as required. The Council may, at any time by resolution, alter, substitute, or revoke this Policy.

10. AVAILABILITY OF POLICY

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.mountgambier.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

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File Reference:	AF18/48
Applicable Legislation:	Local Government Act 1999 Work Health and Safety Act 2012 Civil Liabilities Act 1936 Public Interest Disclosure Act 2018
Reference: Strategic Plan 2020-2024	Our People Our Location Our Diverse Economy Our Climate, Natural Resources, Arts, Culture And Heritage Our Commitment
Related Policies:	Prudential Management Policy - P415 Internal Audit Policy Fraud and Corruption Policy Emergency Management Policy
Related Procedures:	Risk Management Framework
Related Documents:	AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines ISO 31000:2018 Risk Management - Guidelines City of Mount Gambier Risk Appetite Statement Audit Committee Terms of Reference (AR11/51413[V6])

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DOCUMENT DETAILS

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