COUNCIL POLICY

Enterprise Risk Management

Policy Number:	PO091		
Strategic Plan Objective:	5. Responsible Governance and Leadership		
Policy Owner:	Chief Executive Officer	**Record Number:**	16/14129[v6]
Responsible Officer:	Manager People Culture and Safety	**Minute Reference:**	207/2024 (14/08/2024)
Date Adopted:	15/08/2024	**Next Review Date:**	August 2028

1. POLICY OBJECTIVES

The Yorke Peninsula Council (Council) recognises that an effective enterprise risk management system will inform decision making, resource allocation and risk mitigation, which in turn will support successful achievement of its vision and strategic objectives.

The purpose of this policy is to outline Council's committed to establishing an integrated and systematic approach to risk management that ensures:

- processes are established for the identification, assessment, treatment, management, monitoring, review and reporting of risk on a regular;
- holistic approach ensuring that risks are addressed consistently and integrated into all Council strategic, organisational and operational processes;
- Council maximises its opportunities, whilst minimising the negative impacts through effective risk management; and
- regularly reviews of Council's Enterprise Risk Management processes are undertaken.

2. SCOPE

This policy applies to all:

- Council business activities;
- Elected Members;
- Council Committee Members; and
- Workers.

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT

Council is committed to developing and maintaining structured and comprehensive risk management systems and processes that are dynamic and based on the best available information.

The management of risk will be integrated into governance and leadership structures, including decision making at all levels.

Engagement with Council 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.

Council will monitor and review its strategic, organisational and operational risks and apply learnings to continually improve efficiency and effectiveness.

5. LESIGLATIVE REQUIREMENTS AND POLICY CONTEXT

a) Section 48 of the Local Government Act 1999 (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 Chief Executive Officer (CEO) and to the Council).

b) Section 99(1)(ia) of the 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, organisational (which includes financial) and operational risks.

c) Section 125 of the Act requires Council 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.

d) Section 126/126A(4)(h) of the Act 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, organisational (including financial) and operational risks on a regular basis;

e) Section 132A of the 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.

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

6. LOCAL GOVERNMENT RISK SERVICES (LGRS)

From the perspective of the Local Government sector in South Australia, certain insurable risks have been transferred to a number of self-managed Schemes managed by Local Government Risk Services (LGRS), via payment of an annual contribution. The Schemes are:

a) Local Government Association Mutual Liability Scheme (LGAMLS) for the purposes of civil liability coverage & claims management;

b) Local Government Association Workers Compensation Scheme (LGAWCS) for the purposes of workers compensation coverage & claims management; and

c) Local Government Association Asset Mutual Fund (LGAAMF) for the purposes of asset and fleet coverage and claims management.

As a Member of the above Schemes, Council is required to ensure adequate risk management and prevention strategies are put in place, so as to minimise the risk of any incident, circumstance or matter that may give risk to a claim in accordance with the Scheme Rules.

7. COMPLAINTS

Complaints relating to this policy can be made in writing to the CEO. Complaints will be managed in accordance with Council's Complaints Policy PO147.

8. REVIEW

This policy will be reviewed every four (4) years, in consultation with Workers and/or their nominated representative(s). The policy will also be reviewed as deemed necessary in consideration of any changes to legislation, relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports and stakeholder feedback.

9. TRAINING

Council is committed to supporting Workers in complying with this policy. Training needs will be reviewed during induction and annually, during individual performance reviews and as necessary in consideration of any changes to legislation, relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports and stakeholder feedback.

10. RECORDS

Records shall be maintained as required by Council's Records Management Policy (PO063) and relevant legislation.

11. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

Council is committed to the implementation of an effective enterprise risk management system across all of its activities. Therefore, this Policy relates to all Council policies, procedures and practices.

This Policy is supported by:

- Risk Appetite Statement
- PR098 Enterprise Risk Management Procedure

12. REFERENCES AND LEGISLATION

Civil Liability Act 1936

LGAMLS Scheme Rules (gazetted July 2020)

Local Government Act 1999

SA HB:436.1:2020 Risk Management Guidelines – companion to AS ISO 31000:2018, Part 1: Boards and executives

State Records Act 1997

The international standard for Risk management - Guidelines (AS ISO 31000:2018)

Work Healthy and Safety Act 2012

13. COUNCIL DELEGATION

Any applicable delegations are available on Councils website via the Delegations register via https://yorke.sa.gov.au/about-us/forms-plans-and-publications/registers/

14. VERSION HISTORY

Version No	Issue Date	Description of Change
1	14/04/2004	New Policy
2	11/12/2013	Moved to new Council Policy template and complete rewrite.
3	11/03/2015	Minor change including Risk Management Officer title change.
4	18/01/2017	Minor change.
5	10/04/2019	Responsible Officer change to Governance Officer. Completed review to align to ISO 31000:2018.
6	15/08/2024	Policy reviewed to create overarching commitment to Council's enterprise risk management process. Incorporated the Local Government Act 1999 amendments (s99, s125, S126, s126A).

ATTACHMENT 1: DEFINITIONS

Term/Reference	Definition
Controls	An action that modifies risks and increases the likelihood that objectives and goals of an organisation will be achieved.
Corrective Actions	A register of treatment(s) to be applied to identified risks, consequence and likelihood ratings, following treatment and corresponding actions.
Enterprise Risk Management	Coordinated activity to direct and control an risks across the entire organisation. This holistic approach is used by Council to identify, assess, manage, and monitor risks across all departments and levels. It integrates risk management into strategic planning to ensure that potential threats and opportunities are consistently evaluated in relation to the Council's objectives. By aligning risk management with overall goals, this process enhances decision-making, improves performance, and increases resilience, ultimately protecting and creating value for stakeholders. This approach ensures a proactive and unified response to both internal and external challenges.
Event	Occurrence of a particular circumstance.
Operational Risk	Risks associated with the day to day departmental functions and activities that have the potential to impact service levels and day to functions and activities.
Organisational Risk	Risk associated with the higher level functions and activities that have the potential to impact the strategic direction of the organisation and service levels.
Risk	The effect of uncertainty (either positive, negative or both) on objectives.
Risk Analysis	A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.
Risk Appetite	Is the amount of risk an organisation is prepared to accept or avoid. Broad-based description of the desired level of risk that an entity will take in pursuit of its mission
Risk Assessment	An overall process of risk identification, risk analysis and risk evaluation.
Risk Culture	The behaviours that lead to how every person thinks about and manages risks.
Risk Register	A register of identified risks, their consequences, likelihood and ratings.
Risk Tolerance	An organisation's readiness to bear the risk after risk treatment/controls have been applied in order to achieve its objectives.
Risk Treatment	An action that is taken to manage a risk.
Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by, a decision or activity.
Worker	A person who carries out work in any capacity for the Council including: a) An employee b) A contractor or subcontractor c) An employee of a contractor or subcontractor d) An employee of a labour hire company e) An outworker f) An apprentice or trainee g) A student gaining work experience h) A volunteer