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|  | <b>Enterprise Risk Management Policy</b> |
|   | <b>Strategic</b>                         |

### 1. Purpose

The purpose of this policy is to clearly communicate Council's commitment to maintaining an effective and efficient risk management framework to help promote a positive risk culture and proactively manage enterprise-wide risks to support the achievement of Council's strategic and operational objectives.

This policy details Council's overall intentions for managing risk and highlights the core components of the enterprise risk management framework.

By properly understanding and managing risk within the boundaries of Council's risk appetite, we can provide greater certainty and security to our community and other stakeholders. Effective enterprise-wide risk management will enable us to deliver on our commitments and ensure we make confident decisions on how we can develop, implement and manage our services and assets.

### 2. Scope

This policy applies to all councillors, staff, contractors, and volunteers across all Council activities and processes.

### 3. Legislation and Associated Documents

|                               |  |
|-------------------------------|--|
| <b>ASSOCIATED POLICIES</b>    | <b>Supersedes:</b> Risk Management Policy  |
| <b>ASSOCIATED LEGISLATION</b> | <ul style="list-style-type: none"> <li>• <i>Local Government Act 1993 (NSW)</i></li> <li>• <i>Local Government (General) Regulation 2005 (NSW)</i></li> <li>• <i>Workplace Health and Safety Act 2011 (NSW)</i></li> </ul>   |
| <b>ASSOCIATED DOCUMENTS</b>   | <ul style="list-style-type: none"> <li>• WSC Enterprise Risk Management Procedures</li> <li>• ISO 31000:2018 Risk management – Guidelines</li> <li>• TPP12-03 Risk Management Toolkit for the NSW Public Sector</li> <li>• TPP15-03 Internal Audit and Risk Management Policy for the NSW Public Sector</li> <li>• Office of Local Government Internal Audit Guidelines</li> <li>• Integrated Planning and Reporting Guidelines for local government in NSW</li> <li>• Any other relevant guidelines issued by the Office of Local Government</li> </ul> |

### 4. Definitions

| <b>Term</b>    | <b>Definition</b>   |
|----------------|---|
| <b>Control</b> | A measure that modifies (reduces) risk. Includes existing Council processes, procedures, policies, devices, practices or other actions that act to minimise risk. |
| <b>Council</b> | Warrumbungle Shire Council  |



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| <b>Council Official</b>                     | An individual who carries out public official functions on behalf of Council or acts in the capacity of a public official. For the purpose of this policy, the Mayor, councillors, employees, members of Council committees and delegates of Council are Council officials. |
| <b>Enterprise Risk Management Framework</b> | The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.  |
| <b>Executive Leadership Team</b>            | The General Manager and departmental Directors of Warrumbungle Shire Council  |
| <b>Risk</b>                                 | Effect of uncertainty on objectives. (Note: effect is a deviation from the expected and may be positive and/or negative.)   |
| <b>Risk Management</b>                      | The coordinated activities to direct and control an organisation with regard to risk.   |
| <b>Risk Management Process</b>              | Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.  |
| <b>Risk Treatment</b>                       | Selection and implementation of an action or process identified to address or mitigate a risk.  |

**5. Policy Statement**

The associated Enterprise Risk Management Procedure is to be applied when dealing with Council risk.

We are committed to the identification and management of all risks associated with the performance of Council functions and the delivery of services.

We recognise that the management of risk is integral to the achievement of the outcomes, strategies and actions as identified in the Community Strategic Plan, Delivery Program and Operational Plan.

We will adopt a structural enterprise risk management framework, which will ensure a flexible approach to the identification and management of all types of risk across Council.

It is expected that risks will be identified and managed before the risk impacts Council’s objectives by completing risk registers and other forms of risk assessments.

We aim to ensure risk management is embedded in our culture and day-to-day operations by incorporating controls into policies and procedures.

We will be proactive in considering the lessons learnt from incidents and issues and incorporating the learnings to mitigate future occurrences.

Our approach to risk management will include regular review, measurement, reporting, open communication and improvement as opportunities arise.

## 6. Responsibilities

### Councillors

- Provide oversight of Council's enterprise risk management framework. Consider risks in all decision making to ensure alignment with Council's risk appetite statements.

### Internal Audit Committee

- Provides independent assurance that Council's operational performance is in accordance with its enterprise risk management framework.
- Monitors and facilitates consistent operation of the enterprise risk management by performing an audit function to assess the effectiveness of risk management controls and provides advice and assurance on compliance with the enterprise risk management framework.

### Executive Leadership Team

- Provides risk management leadership and is ultimately responsible and accountable for risk management.
- Supports and drives the implementation of risk management throughout Council by endorsing the Enterprise Risk Management Plan.
- Manages high level strategic risks facing Council and embeds this policy and related risk framework processes into individual areas of responsibility.
- Ensures tools and templates developed are aligned with the enterprise risk management framework.

### Director Corporate and Community Services

- Coordinates the Internal Audit Committee.

### Manager Corporate Services

- Coordinates a link between enterprise risk management plan activities and Integrated Planning and Reporting documentation.
- Responsible for maintaining risk management capabilities appropriate to the needs of Council including designing, operating, embedding, maintaining and continually improving the risk management framework, and providing tools and templates and coordinating training that supports the risk management framework.
- Develops, leads, manages and maintains effective risk management and business continuity frameworks.
- Provides advice and support to staff in performing risk management functions.
- Considers risk profile and appropriateness of insurance arrangements in accordance with enterprise risk management framework.



# Enterprise Risk Management Policy

## Strategic

### Managers

- 'Risk owners' and accountable for implementing and maintaining sound risk management activities in their day-to-day activities within their sphere of accountability and authority.
- Help identify, evaluate and manage risks, escalate incidents/issues to ELT and ensure staff are aware of and adhere to the policy and enterprise risk management framework.

### Staff, Council Officials

- Required to follow Council's policies and procedures and always act in a manner which does not place at risk the safety of themselves or any other person in the workplace.
- Responsible and accountable for taking practical steps to minimise exposure to risks in so far as is reasonably practicable within their area of activity and responsibility.
- Should report all incidents, risks and issues to their Manager in a timely manner.

### 7. Getting Help

The staff member/s who can assist with enquiries about the policy:

Position: Manager Corporate Services

Department: Corporate and Community Services

### 8. Version Control

Review Date: September 2021

Staff Member Responsible for Review: Manager Corporate Services

| Policy Name                       | Action  | Resolution No. | Date          |
|-----------------------------------|---------|----------------|---------------|
| Enterprise Risk Management Policy | Adopted | 293/2223       | 20 April 2023 |