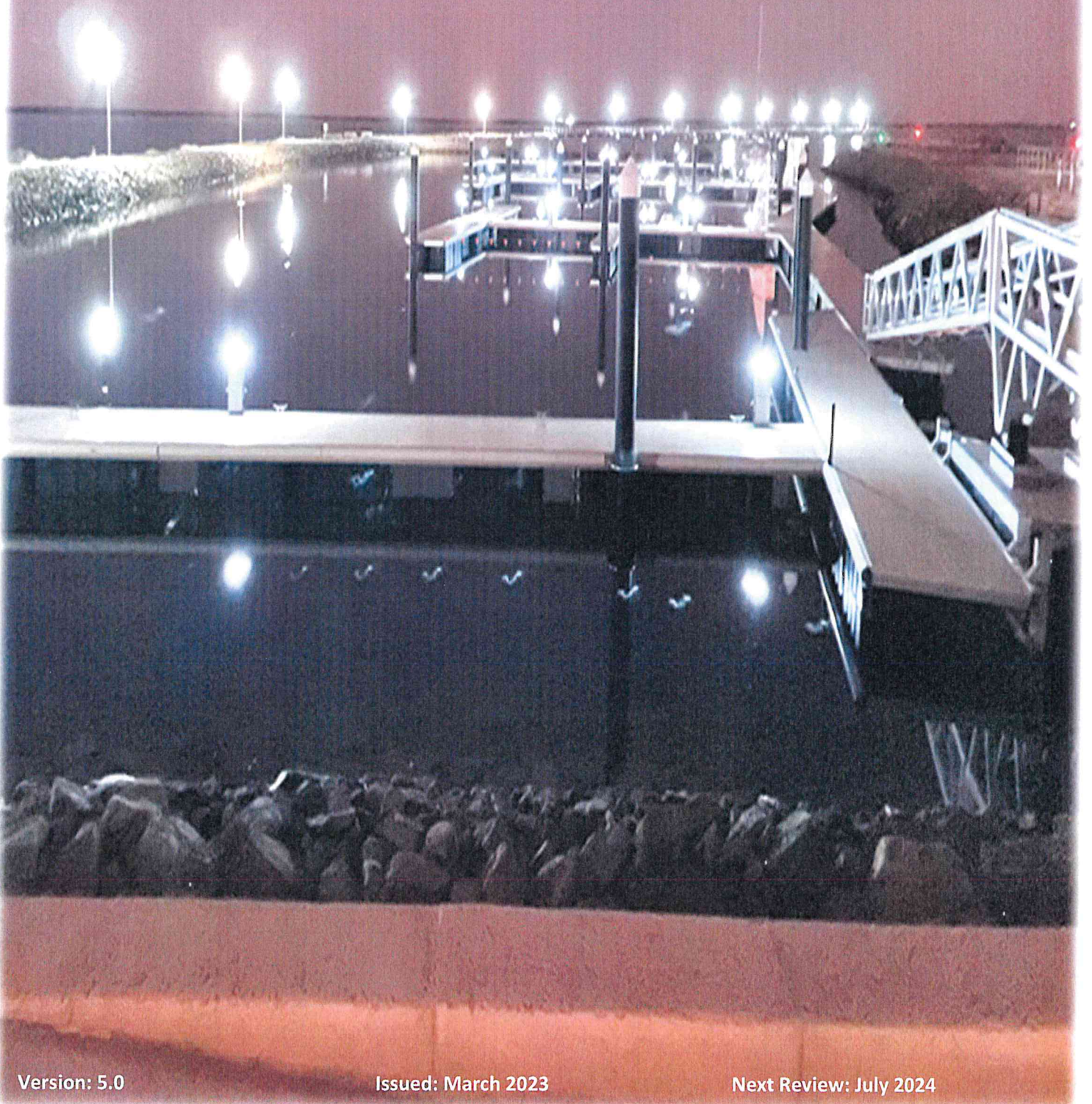




# Risk Management Policy





# Risk Management Policy

Name of Council	District Council of Franklin Harbour
Responsibility	Risk Management
Revision Number	5.0
Effective date	March 2023
Last revised date	August 2019
Minutes reference	47/06/23
Next review date	July 2024
Applicable Legislation	Local Government Act 1999 Work Health & Safety Act 2012 Civil Liabilities Act 1936 State Records Act 1997
Related Documents	AS ISO 31000:2018 Risk Management Guidelines DC Franklin Harbour Risk Management Framework LGAMLS Scheme Rules as gazette July 2020

## 1. Purpose

- 1.1. The District Council of Franklin Harbour recognises that effective management of risk 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 the District Council of Franklin Harbour's commitment to core risk management principles;
  - Supporting the implementation and maintenance of a Risk Management Framework ("the Framework") that comprises the tools and processes that underpin the organisation's risk management approach.

## 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. The District Council of Franklin Harbour is committed to developing and maintaining structured and comprehensive risk management processes that are dynamic and based on best available information.
- 2.3. Engagement with the District Council of Franklin Harbour 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. The District council of Franklin Harbour will monitor and review its strategic, operational and project risk and apply learnings to continually improve efficiency and effectiveness.



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### 3. Performance Measures

The performance of the risk management program will be measured through the following performance indicators:

- a) Number of strategic objectives achieved, (as a percentage of total)
- b) Year on year reduction in strategic risk rated “extreme” and “high”
- c) Tangible improvement in risk maturity modelling
- d) Percentage achievement of risk evaluation action plan actions.

### 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 125 of the LG Act requires the District Council of Franklin Harbour 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.
- 4.3 Section 132A of the LG Act requires the District Council of Franklin Harbour 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 the District Council of Franklin Harbour 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.
- 4.5 As a member of the Local Government Association Mutual Liability Scheme, the District Council of Franklin Harbour 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 Council’s Risk Management Framework’



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### 6. Roles and 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 organisations 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; and
- 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 Committee relating to strategic risks or any other risk matter.

#### 6.2. Audit & Risk Committee

The Audit & Risk Committee is responsible for:

- a) Endorsing the criteria contained within the Risk Management Framework;
- b) Reviewing reports from the Senior Management Team and auditors to ascertain the adequacy of controls that have been implemented; and
- c) Monitoring strategic risks on an annual 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) Developing and implementing a framework that delivers a consistent approach to risk management by allocating resources and assigning authority, responsibility & accountability at appropriate levels within the organisation;
- d) Allocating and upholding accountability for managing risk;
- e) Ensuring the Senior Management Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;
- f) Regularly reviewing strategic 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;



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- h) Providing reliable information about risks, controls and their effectiveness to the Council; and
- i) Escalating all strategic risks that exceed the organisation's risk appetite to the Audit & Risk Committee or Council, as required.

### 6.4 Senior Management Team (SMT)

Members of the Senior 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 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 & Risk Committee)
- j) Ensuring compliance with legislative and contractual obligations and policy requirements.

### 6.5 Manager Corporate Services (Governance & WHS)

The Manager Corporate Services is responsible for:

- a) Providing guidance and assistance to the Senior 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 Senior Management Team or cascaded to employees, 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 time frames as required.

### 6.6 Employees, Volunteers and Contractors (Workers):

All Council 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.



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## 7 Availability


7.1 This Policy will be available on the District Council of Franklin Harbour's Councils website [www.franklinharbour.sa.gov.au](http://www.franklinharbour.sa.gov.au) with hard copies supplied on request.

7.2 The Framework is available to all employees via Councils intranet

## 8 Review of Policy

This Risk Management Policy will be reviewed by the District Council of Franklin Harbour every two years, or more frequently if legislation, relevant standards or organisational needs change.

Signed:

  
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CEO  
Date: 20/06/23.....

  
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FOR Audit Committee Chairperson  
Date: 20/6/23.....

## Change History

Version No:	Issue Date:	Description of Change
1.0	December 2010	New Document
2.0	December 2011	Reviewed and updated
3.0	October 2015	Reviewed and updated
4.0	February 2018	Reviewed and updated
4.1	August 2019	Reviewed and updated
5.0	March 2023	Reviewed and updated in line with LGAMLS policy template