Woollahra Enterprise Risk Management Policy

Adoption Date:	13 February 2023
Approval Date:	23 December 2022
Endorsement Date:	ARIC 15 November 2022 subject to amendments, revised document endorsed 23 December 2022 and confirmed 24 March 2023
Last Reviewed:	23 December 2022
Next Review Date:	First year after Council election – before September 2025
Division/Department:	Corporate Performance/ Governance & Risk
Responsible Officer:	Manager - Governance & Risk
HPE CM Record Number:	22/252525

1 Policy Statement

Woollahra Municipal Council's (Council) vision is to be a thriving, inclusive, sustainable and resilient community that will benefit future generations. To support this vision and support a well-managed organisation, Council:

- Uses risk management as a tool to effectively manage risk and assess opportunities as an integral part of planning and decision making and in the pursuit of our organisational objectives;

- Manages identified risks and actively monitor the risk environment;

- Establishes clear guidelines to ensure that councillors and staff at all levels are aware of potential risks and of their individual responsibility for the effective management of those risks.

2 Application

The purpose of this Policy is to outline the overarching principles of Council's Risk Management Framework and establish clear responsibilities for its implementation and ongoing management.

3 Definitions

Term	Meaning
Risk	The effect of uncertainty on objectives.
Risk Management	The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.
Senior Management	Refers to the General Manager, Directors, Managers.

4 Risk Management Documents

To support Enterprise Risk Management, Council has developed a number of Enterprise Risk Management documents. The documents make up the Woollahra Enterprise Risk Management document hierarchy. The Enterprise Risk Management Policy document forms part of the Woollahra Enterprise Risk Management Document Hierarchy as a strategy document.

Strategic	• **Enterprise Risk Management Policy** • Enterprise Risk Management Framework • Enterprise Risk Management Strategic Roadmap • Risk Appetite & Risk Tolerances
Operational	• Enterprise Risk Register (Strategic & Operational Risks)
Process	• Enterprise Risk Management Process Guideliness • Enterprise Risk Management Tools • Risk Education Engagement Program

5   Community Strategic Plan, Delivery Program and Operational Plan

The Council is committed to the process of risk management and this process is integral to all activities undertaken.

This Policy relates to the Goals and Strategies outlined in Council's Community Strategic Plan – Woollahra 2032, and the Priorities outlined in Council's Delivery Program and Operational Plan, specifically:

Theme:	Civic Leadership	
Goal:	11	A well-managed Council
Strategy:	11.3	Ensure effective and efficient governance and risk management
Priority:	11.3.2.	Ensure corporate risks are managed appropriately to reduce the likelihood of any adverse impacts to Council or the community

6   Relevant Legislation

The Policy is based on the legislations listed below, which define a management system with an emphasis on risk:

- Local Government Act 1993.

- Local Government (General) Regulation 2005.

- Office of Local Government – Internal Audit and Risk Management Framework.

7   Relevant Standards

The Policy is based on the documents listed below:

- Australian Standard AS/NZS 9002:1994 Quality Management

- Australian Standard AS ISO 31000:2018 Risk Management – Guidelines.

8 Policy Content

8.1 Policy Statement

Council recognises the importance of risk management to strengthen its capacity to effectively identify, understand and capitalise on challenges and pursue opportunities.

Council recognises that risks can adversely impact its ability to achieve strategic and operational objectives. Accordingly, Council is committed to a holistic, consistent and systematic approach to risk management to ensure that risks are identified, fully understood, adequately communicated, monitored and effective controls put in place to manage risks.

Council adopts the approach that risk management must be aligned to a strong internal control environment. Council's approach to Enterprise Risk Management aligns with the directions under the Local Government Act 1993 and the NSW Treasury Risk Management Framework 2020 (TIPP5.01) and is consistent with the Australian/New Zealand Risk Management Standard: AS/NZS ISO 31000:2018, which defines risk as the '*effect of uncertainty on objectives*.'

8.2 Principles

The guiding principles of this policy are:

- To promote sound decision making using the Enterprise Risk Management Framework to ensure Council advances with increased confidence towards the achievement of our objectives.

- To promote good governance by demonstrating transparent, accountable and responsible risk management processes aligned with accepted best practice standards and methods.

- To promote a risk aware culture where all councillors and all staff assume accountability for managing risks.

- Effectively integrate risk management into Council's executive planning activities to ensure the achievement of strategic objectives as identified in the Community Strategic Plan and related strategies and plans to embed a framework which provides staff with necessary tools to manage risks.

- To provide an innovative, flexible and resilient framework through continuous refinement to ensure the consistent management and/or mitigation of risks which may impact on Council.

- To provide an environment of greater certainty and confidence for councillors and Council staff, for our stakeholders and for our community about Council's ability to make sound decisions.

9 Documentation/References

	HPECM Reference

Related Policies and Procedures

Document Name	HPECM Reference
Woollahra Enterprise Risk Management Framework	22/252518
Woollahra Enterprise Risk Management Process Guidelines	22/252528
Woollahra Enterprise Risk Management Risk Matrix, Consequence Table and Likelihood Table	23/159652
Audit, Risk & Improvement Committee (ARIC) Charter	23/85317

This Policy will be reviewed every two years or in accordance with legislative requirements. This Policy may also be changed as a result of other amendments that are to the advantage of Council and in the spirit of this Policy.

Amendments to this Policy must be by the approval of the General Manager.

Policy Amendments

Date	Responsible Officer	Description
4 July 2016	Manager - Business Assurance & Risk	Revision of Risk Management Framework (RMF): 2016 - 2021
31 March 2021	Manager - Business Assurance & Risk	Extension of existing RMF to June 2022
22 December 2022	Risk Management Consultant and Manager - Governance & Risk	Revision and update of Risk Management Framework: 2022 – 2025 in accordance with Australian Standard AS ISO 31000:2018 Risk Management – Guidelines