Enterprise Risk Management Policy

Date Adopted:	17/09/2024
Council Decision (Reference):	RES.24/247
Review Frequency:	2 year
Review Date:	17/09/2026
Responsible Officer:	Director Corporate, Governance and Risk
Version (Revision Number):	3.0

1. Scope

This Enterprise risk management policy applies to all Paroo Shire Council activities including elected members, employees, contractors, volunteers and external stakeholders.

This policy allows for complimentary policies and processes to be developed at the sub-element business environment level to meet legislative requirements and where it can be demonstrated, necessitated operational need, as approved by Chief Executive Officer, for example, disaster management, and workplace health and safety.

2. Purpose

The purpose of this policy is to establish and embed a risk aware culture throughout Council, supported by a risk management framework, where:

a) Everyone takes responsibility for managing risk to take full advantage of operational capabilities and resources.
b) Everyone embraces risk management and integrating risk management activities within their business environment, ensuring care is taken to make informed decisions, based on consideration of foreseeable risks and opportunities.
c) Proactive, rather than reactive, risk management practices occur to prevent and minimise negative consequences and maximise opportunities, where possible.
d) Risk management is consistently applied and integrated with other systems and processes to achieve Council's goals and objectives.

3. Related Documents

- Local Government Regulation 2012
- Council Corporate Plan
- Council Operational Plan
- Disaster Management Policy
- Enterprise Risk Management Framework
- Enterprise Risk Register
- International Standard – ISO 31000:2018 Risk Management - Guidelines
- Work Health and Safety Policy

4.   Definitions

To assist in interpretation, the following definitions apply:

CEO	Chief Executive Officer
Council	Paroo Shire Council
Contractor	A person, organisation or entity that performs a specific act or acts including the provision of services and/or materials to another person, organisation or entity under an agreement enforceable by law

Employee	Local government employee:
	  (a) The CEO; or
	  (b) A person holding an appointment under section 196 of the Local Government
	    Act 2009

ERM	Enterprise Risk Management Council's approach to risk management encompassing: strategy, processes, culture, technology, standards and knowledge in identifying, analysing, evaluating, managing, treating, reviewing and communicating uncertainties encountered to achieve an appropriate balance between minimising losses and maximising opportunities in meeting its objectives
ERM Framework	Council's adopted systems, processes and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving ERM throughout Council. The framework provides an expression of intent on what, why and how risk is to be managed and shows how Council provides capacity to manage risk according to the intent
External Stakeholders	Any individual or organisation outside Council that can impact, be impacted by, or perceive themselves impacted by, Council's objectives. (For example: suppliers)
Risk	The effect of uncertainty on objectives
Volunteer	Any person, who of their own free will, offers to undertake un-paid work for Council and is accepted as a volunteer by the CEO and/or their authorised delegates.

5. Policy Statement

Risk is inherent in all Council's business activities, programs, services, projects, processes and decisions.

Risk management:
a) Challenges assumptions and preconceptions before decisions are made;
b) Takes appropriate actions to reduce any uncertainty that objectives will be achieved;
c) Provides early warnings that crucial controls may be ineffective; and
d) Facilitates learning from success and failure across the organisation.

Key drivers for Council to undertake risk management include: supporting achievement of objectives through sound governance, legislative frameworks, and decision making; as well as social, environmental and financial sustainability, for the betterment of the local government area.

Council is committed to the identification and management of all risks associated with the performance of Council functions and the delivery of Council services and embedding ERM as part of Council's governance framework to protect its employees, the general public, its assets, and the environment.

This policy is supported by Council's ERM Framework as well as the Enterprise Risk Management Process Procedure to provide guidance on managing risk across Council.

Council has based its approach to ERM around ISO 31000:2018 (31000). This Standard is principles based and allows for customisation proportionate to Council's objectives and its needs, rather than having to be strictly complied with. While complimentary policies and process, developed and managed at the sub-element business environment level, are allowed, Council's 31000 approach should be the only approach used throughout Council unless legislatively required otherwise.

Council recognises it has a responsibility to identify and address all threats and opportunities associated with:
a) The provision of a safe and healthy operating environment for all employees, the general public and other stakeholders involved with the provision and use of Council services and infrastructure;
b) The prudent management of Council property and resources on behalf of ratepayers; and
c) The achievement of Council's corporate objectives to provide effective service to the public.

Leadership commitment is demonstrated through:
a) The adoption of this policy;
b) Ensuring resources have been allocated to manage risks; and
c) Assigning appropriate levels of authority, responsibility and accountability.

Management undertakes to formally identify, assess and manage the risks associated with Council's services and facilities based on the following principles.

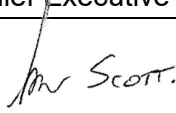## 6. Risk Management Principles

Management and employees must assume responsibility for ERM. The following foundational principles, based around ISO 31000:2018, are used to facilitate and guide the process:

a) Adoption of a governance framework – Having a structured approach provided through the Enterprise Risk Management Framework and Enterprise Risk Management Process Procedure which outlines accountabilities and obligations, and guides consistency in the implementation and ongoing monitoring of ERM throughout Council.

b) Adds value – Alignment and integration with Council's Corporate and Operational Planning, and budget deliberation processes.

c) ERM is an integral part of organisational processes – Management endorsed integration in all business processes, including decision making, with informed decisions being made cognisant of relative risks.

d) ERM promotes a safer work environment – Risk management integrated with Council's Work Health and Safety, promoting safe work practices and a safer work environment.

e) Explicitly addresses uncertainty including human and cultural factors – Taking account of uncertainty, the nature of uncertainty, including consideration of how human behaviour and culture can influence each level and stage of risk management, and, if required, how it can be addressed.

f) Systematic, structured, timely and tailored.

g) Based on best available information and experience – Utilisation of generally accepted risk mitigation techniques for managing risks.

h) Transparent, inclusive and responsive to change – Timely involvement of stakeholders, and a process of continuous improvement through learning and experience

7. Review Timelines

This policy is reviewed when any of the following occur:

a) The related information is amended or replaced; or

b) Other circumstances as determined from time to time by the Council.

Endorsed		Date: 17/09/2024
Name:	Scott Osman	
Title:	Chief Executive Officer, Paroo Shire Council	
Signature:	*Scott.*	

Version Control

Date	Version	Meeting Resolution	Amendments / Comments
17/04/2018	1.0	M18/076	NEW
19/05/2020	2.0	M20/069	Reviewed and updated in line with current template. Addition of Risk Management Framework
17/09/2024	3.0	M24/247	-Reviewed and updated in line with new Risk Framework.