

POL	ENTERPRISE RISK MANAGEMENT	SC51
------------	-----------------------------------	-------------

POLICY CODE:	SC51
DIRECTORATE:	Executive Services Department
BUSINESS UNIT:	Executive Support Services
SERVICE UNIT:	Executive Support Services
RESPONSIBLE OFFICER:	Director, Governance & Community Services
FILE NO.:	021/012; 182/001
DATE FIRST ADOPTED:	13 June 2013
DATE LAST REVIEWED:	14 September 2017
ATTACHMENTS:	Yes
DELEGATED AUTHORITY REF.:	N/A
VERSION NO.	4

Dates of Amendments / Reviews:		
DAPPS Meeting:	23 May 2013 28 November 2013	26 May 2016 24 August 2017
OCM:	13 June 2013 12 December 2013	9 June 2016

BACKGROUND:

The City of Cockburn is committed to organisation-wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes while delivering a wide and diverse range of services to its residents and visitors. The management of risk is the responsibility of everyone and should be an integral part of organisational culture and be reflected in the various policies, protocols and processes used to ensure efficient and effective service delivery. The Risk Management Framework will reflect good practice and sound corporate governance and be consistent with *AS/NZS ISO 31000:2009 Risk Management Principles and guidelines*.

PURPOSE:

To outline a strategic approach to risk management that raises risk awareness across the organisation and ensures sound risk management practices are integrated into the future planning and day to day practices of the City.

This policy encompasses:

- The implementation of the Risk Management Framework across the organisation in accordance with the Standard *AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines*; and
- To ensure the Framework is integrated into all activities of the City from Strategic Planning and Corporate Governance to operational activities and specific projects.

POLICY:

POL	ENTERPRISE RISK MANAGEMENT	SC51
-----	----------------------------	------

(1) Application:

This risk Management Policy and any associated frameworks, guidelines and protocols will apply across all operations of the City. All employees within the City are encouraged to develop an understanding and awareness of risk and contribute to the risk management process.

(2) Definitions:

“risk” means the effect of uncertainty on objectives, as defined within *AS/NZS ISO 31000:2009*. An effect is a deviation from the expected; positive and/or negative. Risk is often expressed in terms of a combination of the consequences of an event and the associated likelihood.

“risk management” means the coordination of activities that direct and control an organisation with regard to risk, as defined within *AS/NZS ISO 31000:2009*.

“risk management framework” means a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation; as defined within *AS/NZS ISO 31000:2009*.

(3) Details:

1. Risk Management Outcomes:

Effective implementation of the Risk Management Framework will ensure that:

- (a) Risks that threaten the delivery of services will be identified, recognised and described;
- (b) Risks will be analysed to establish an understanding of their sources and causes and their likelihood and impact should they eventuate;
- (c) Risks will be evaluated to assist in making decisions about risk priorities and treatment plans;
- (d) Risk management processes will be continually reviewed to ensure that controls are effective, new information is gathered, latest changes and trends are identified, successes and failures are recorded, lessons are learned, changes in internal and external context are detected and emerging risks are captured; and
- (e) Benefits are realised including:
 - Greater likelihood of achieving objectives
 - Improved governance

- Compliance with legislative and regulatory requirements
- Enhanced health and safety performance
- Improved stakeholder trust and confidence
- Encouragement of decisive leadership rather than crisis management
- Better information for improved decision making and planning
- Reduced unexpected and costly surprises
- Better results from projects and programs
- More effective and efficient allocation of resources
- Protection of Council's assets.

2. Risk Appetite:

Resources available to control risks are limited and the cost of any controls should be considered along with the value of expected benefits. The City's risk appetite will be risk prudent. The City will accept the taking of controlled risks, the use of innovative approaches and the development of new opportunities to improve service delivery provided that the risks are properly identified, analysed and evaluated to ensure that exposures are acceptable and managed accordingly.