

Risk Management

Council Policy 118



Policy Number	CP118
Area Responsible	Governance and Planning
Strategic Plan Reference	4.2 MacDonnell Regional Council is a safe workplace 4.3 Strong financial management and compliance
Approval date	15 September 2017
Minutes Reference	Resolution 14
Last Reviewed	15 September 2017
Next Review Date	15 September 2021

1. Purpose

To ensure effective management of risks, including financial risks, safety risks and system risks in accordance with national standards and the Local Government Accounting Regulations

2. Scope

This policy applies to all Council operations in the whole region within which MacDonnell Regional Council (MRC) operates. It is supported by MRC Procedure PR118: Risk Management Framework

3. Policy Objectives

The application of this policy and related framework will provide the basis for:

- timely identification of risks and risk mitigation
- a clear understanding by Councillors, Committee members and staff of their roles, responsibilities and authorities for managing risk
- rigorous planning processes
- pro-active rather than re-active management
- effective incident management and reduction in loss and the cost of risk
- compliance with relevant legislation
- the development and maintenance of a risk aware organisational culture

4. Policy Statement

Legislative and standards overview

The Australian New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) defines risk management as the "coordinated activities to direct and control an organisation with regard to risk".

Some risks are specifically mentioned in the Local Government Accounting Regulations. Under section 10 the CEO must amongst other things establish and maintain internal controls to safeguard the assets of the council, ensure the integrity and security of financial data files and programs, and establish and maintain a fraud protection plan.

Under section 22 the CEO is responsible for the recording and safekeeping of all Council property.

An audit committee must be established to monitor compliance of the accounting regulations by the Council.

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Risk Overview

- Risk management will be incorporated into the strategic and operational planning processes at all levels within the MRC
- Risk and the management of risk will be identified and monitored in accordance with the MRC's *Risk Management Framework*
- Risk assessments will be conducted on all new activities, ventures and projects prior to commencement to ensure alignment with risk appetite and organisational objectives.
- Risks will be identified, reviewed and monitored on an ongoing basis at nominated levels within the MRC.
- Risks will be assessed against the MRC's risk assessment matrix according to agreed definitions of likelihood and consequence
- All identified risks will be recorded on the MRC's risk management register
- All risks will be assigned an owner who is responsible for managing, monitoring and ensuring that adequate controls and treatments are being applied so that risks are brought within tolerable levels.

Roles and Responsibilities

Responsibility for risk management is shared across the organisation.

Key responsibilities include:

- The elected Council is responsible for ensuring an effective risk management policy and framework is in place. This work will be monitored by the Finance and Risk Committee
- The Chief Executive Officer is responsible for developing and implementing the risk management framework, including ensuring policies and procedures are reviewed and implemented, and fostering a risk-aware culture
- All Directors are responsible for making recommendations for any changes in the risk management framework, ensuring that risk management activities are integrated and systematically managed and receiving and reviewing risk management reports.
- Business Units are responsible for the effective identification and management, reporting and control of risk within their areas of responsibility and for developing a risk awareness and mitigation culture
- Individual staff have clear responsibility for identifying and communicating risks to management

Reporting

Risk Management will be a standing item at Finance and Risk Committee meetings on a six monthly basis.

The Director Corporate Services will present a report outlining risk management performance against indicators; any significant incidents; and any new or emerging risks or issues.

5. Legislation and References

Applicable Legislation	Local Government Act and Accounting Regulations Work Health and Safety Act Australian New Zealand Risk Management Standard (AS/NZS ISO 31000:2009)
Related Policies	
Related Procedures or other documents	PR118.1 Risk Management Framework PR118.2 Risk Management Register

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6. Delegation and Implementation

Delegate	CEO
Implementation Officer	Director of Corporate Services

7. Administration

InfoXpert No	
On Internet (Council Policy)	13 th October 2017
On Intranet (Operational Policy)	