Enterprise Risk Management Policy

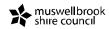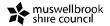## MSC12E

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Policy Objective

Muswellbrook Shire Council (MSC) is committed to the systematic and proactive management of risks across the organisation. MSC will consultatively establish, implement and continually improve an organisational wide risk management framework which is operationally integrated, that achieves legislative compliance and which reflects best practice including, but not limited to, Standards such as AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

Scope

Through the application of this Policy, Council will ensure:

▪ the Council, Councillors, General Manager and Senior Management will be in a position to confidently make informed strategic, business and operational decision based on risk assessment;

▪ all reasonably foreseeable risks will be systematically identified, assessed, analysed, prioritised and considered for appropriate treatment;

▪ better identification and exploitation of opportunities;

▪ compliance with relevant legislation;

▪ reduction of costs and improved use of resources through more targeted and effective controls;

▪ improved protection of the public, our employees, volunteers, our assets and our financial integrity.
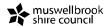
Definitions

TERM	DEFINITION
Risk	Effect of uncertainty on objectives (Note: an effect is a deviation from the expected and can be positive and/or negative)
Risk Management	Coordinated activities to direct and control an organisation with regard to risk
Council	Muswellbrook Shire Council
Hazard	A source of potential harm
Risk Assessment Matrix	A table used to measure the level of risk
Hierarchy of Control	A list of control measures, in priority order, that is used to eliminate or minimise exposure to hazards
Risk Appetite	Amount and type of risk that an organisation is willing to pursue or retain

Policy Statement

Risk exists in all aspects of Council's business. Risk can be described as any threat or occurrence that can potentially prevent Council from meeting its planned objectives.

Risk Management plays a key role in ensuring that Council achieves those objectives.

The level of risk that Council faces at any one time is the combination of the likelihood of an event happening and the consequence if it happened. Risk for Council is likely to occur in two areas:

Strategic Risk – risks that relate to doing the wrong thing in pursuit of Council's objectives. These risks are mainly directly related to Council functions and objectives and include the following risk areas:

- impact on reputation;
- managing stakeholder expectations;
- customer service delivery; and
- asset and resource management

Operational Risk – risks that relate to doing the right thing the wrong way. These risks arise directly from activities undertaken by Council and include but are not limited to the following:
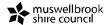
- Corporate governance
- Financial management
- Legal and regulatory compliance
- Community consultation
- Employee education, training and competency testing
- Managing and maintaining physical assets
- Managing community services
- Managing human resources
- Information management and technology
- Contracting and purchasing
- Regulatory enforcement

Responsibilities

The Council, Councillors, the General Manager, Executive Managers, Managers, Coordinators and Employees are to be familiar with, and competent in, the application of the Enterprise Risk Management Policy, and are respectively accountable for the delivery of the Policy within their areas of influence and responsibility.

In specific terms the responsibility for the management of risk can be described as follows:

- the Council, Councillors, General Manager, Executive Managers are responsible for ensuring that the Enterprise Risk Management Policy is introduced across the whole of Council, and that the General Manager and Executive Managers regularly report on its implementation, improvement and operational effectiveness.

- the General Manager is responsible for the coordination of the Enterprise Risk Management Policy, and ensuring appropriate key personnel within the organisation are kept up to date with developments, and that each respective Executive Manager, Manager, Supervisor and Coordinator is responsible for the implementation of risk management processes throughout the organisation.

- the General Manager is responsible to ensure that risk management is integrated into all policies, procedures, instructions and education and training course modules and like documents.

- Managers and Coordinators at all levels, are required to create, promote and maintain an environment where managing risk is accepted as the personal responsibility of each employee in the achievement of their organisational and operational responsibilities;

- all employees are responsible for promoting and maintaining sound risk management practices within their job specification and particular area of responsibility; and

- an internal audit program is in place to ensure compliance against the Policy and provide regular reports to the General Manager through the respective group and Executive Managers.

Legislation

Work Health and Safety Act, 2011 NSW

Civil Liability Act, 2002 NSW

NSW Local Government Act 1993

State Emergency and Rescue Management Act 1989

Government Information (Public Access) Act 2009

AS/NZS ISO 31000:2009 Risk Management and Principles Guidelines

References

Enterprise Risk Management Framework

Business Continuity Plan

Dispute Resolution

The General Manager is the interpreter of this Policy and shall be the sole arbiter in respect to the application of this policy.

Associated Council Documentation

Audit, Risk and Improvement Committee Charter

Community Strategic Plan

Delivery Plan

Operational Plan

Authorisation Details

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Details History

Version No.	Date changed	Policy type	Modified by	Amendments made
1	N/A	External	Risk and Improvement	First Version

			Officer	