

Risk Management Policy

Approval Body:	Council
Endorsement Date:	21 June 2023
Current Version:	Version 4.0 <i>Policy documents change from time to time, and it is recommended that you consult the electronic reference copy on the Intranet to ensure that you have the current version</i>
Compulsory Review Cycle:	4 years
Review Date:	21 June 2027 <i>It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively.</i> <i>Examples include a change to the name of a Council department, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council.</i>
Responsible Department:	Corporate Governance
Relevant Legislation:	<i>Local Government Act 2020 and, until further notice, selected parts and schedules from the Local Government Act 1989.</i>
Relevant Council Documents:	Risk Appetite Statement Risk Management Framework Departmental Risk Registers
ECM ID:	5286556

1 Purpose and Intent

To clearly document Casey City Council's (the Council) approach to establishing and maintaining an effective risk management culture across the organisation in accordance with the Local Government Act 2020 and the principles and guidelines set out in the International Risk Management Standard AS ISO 31000:2018.

Council is committed to ensuring that effective risk management remains central to all its activities and is a core management competency. The aim of this policy is to ensure that risk management is embedded in the Council's processes and culture, where all employees are responsible for detecting, evaluating, and monitoring their risk environments.

2 Scope

This policy applies to all service and functional areas. Risk management is not a stand-alone function separate from the main activities and processes of the organisation. It is an integral part of all organisational processes, including strategic planning, project and change management process.

3 Definitions

Key term	Definition
Council	Means Casey City Council, being a body corporate constituted as a municipal Council under the Local Government Act 2020 <i>and, until further notice, selected parts and schedules from the LGA Act 1989.</i>
Councillors	Means the individuals holding the office of a member of Casey City Council.
Council officer	Means the Chief Executive Officer and employees of Council appointed by the Chief Executive Officer.
Three Lines Model	Commonly referred to as the Three Lines of Defense, the Three Lines Model helps organisations identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management. The model applies to all organisations and is optimised by: • Adopting a principles-based approach and adapting the model to suit organisational objectives and circumstances. • Focusing on the contribution risk management makes to achieving objectives and creating value, as well as to matters of "defense" and protecting value. • Clearly understanding the roles and responsibilities represented in the model and the relationships among them. • Implementing measures to ensure activities and objectives are aligned with the prioritised interests of stakeholders.
Risk	A risk is defined as the effect of uncertainty on objectives.
Risk Management	Risk management is a process that enables individual risk events and overall risk to be understood and managed proactively, optimising success by minimising threats and maximising opportunities.
Risk Management Framework	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.

4 Policy

Council operates in a complex and ever evolving environment to deliver a variety of services and community infrastructure. Effective risk management is not only a statutory requirement, it also contributes to the informed decision making needed to navigate inherent challenges and supports the overall achievement of Council's objectives.

Council is committed to enabling an effective risk management culture and applying a logical and systematic method for identifying, assessing, treating, and monitoring risks. Thus, supporting the organisation to achieve its long-term objectives.

This Policy should be read in conjunction with the Council's endorsed Risk Appetite Statement and Risk Management Framework which set out the processes and procedures in relation to the identification, assessment, treatment, and monitoring of risk.

4.1 Council recognises that risk management is essential for sound strategic and financial planning and ongoing business activities.

Council is committed to ensuring:

- Risk management is embedded in Council's strategic and operational activities, processes, and culture.
- The application of risk management is considered to an appropriate degree in decision making.
- The organisation, its employees, contractors, assets, and the community are protected against reasonably foreseeable loss and injury.
- Accountabilities and responsibilities are assigned at appropriate levels within the organisation.
- Necessary resources are allocated to risk management.
- The framework for managing risk continues to remain appropriate is monitored, maintained, and embedded into Council operations.
- Legal and regulatory compliance obligations are met.

4.2 Fundamental to risk management are the following objectives:

- Improve identification of opportunities and threats.
- Identify and analyse the organisation's liability associated with risk exposure.
- Within Council's control, protect employees, contractors, and the community against personal, physical, and financial losses.
- Protect the corporate image as a professional, responsible, and ethical organisation.
- Recognise that risk management is the responsibility of all employees.
- Promote and support risk management practices throughout the organisation.
- Monitor risk management practices to ensure continued effectiveness, consistency, and efficiency.
- Establish risk management capability through the adoption and operational embedding of the Three Lines Model.
- Adopt risk management processes as set out in the Australian and International Standard for Risk Management (AS ISO 31000:2018) and other relevant guidelines and standards.

5 Responsibilities

Who	What
Council (Councillors)	Council will endorse the Risk Management Policy, appropriately consider risk management issues raised in reports and make informed decisions based on the associated risks and potential opportunities. Council will give due consideration to risk management reports from Council's Audit and Risk Committee.
Chief Executive Officer	The CEO has the ultimate responsibility for ensuring a strong risk management culture and that risks are effectively managed across the organisation.
ELT	ELT will review the Risk Management Policy and amend as required. Operational accountability for risk culture and management as per AS ISO 31000:2018 including: • Issuing a Risk Appetite Statement. • Reviewing Council's Risk Management Policy. • Ensuring necessary resources are allocated to risk management. • Assigning authority, responsibility, and accountability at appropriate levels. • Actively promoting and supporting the desired risk culture.
Audit and Risk Committee	The Audit & Risk Committee will: • Monitor, review and advise Management on the standard of its risk management. • Make assessments and recommendations in relation to Council's risk management. • Endorse and monitor a comprehensive risk based cyclical internal audit plan.
Casey Leadership Team (First Line of Defense)	Managers and senior people leaders will: • Understand, cascade, and operationalise risk management throughout the organisation. • Execute effective internal control in their functional areas, as well as the monitoring of process and maintaining transparency in the internal control itself.
Risk Management Team (Second Line of Defense)	The risk management and compliance functions will: • Be responsible for risk management development, monitoring process and the implementation of the organisations overall risk management. • Supporting Council staff with their risk management obligations and providing staff with advice and tools to ensure risk management compliance. • Monitor and report to ELT on the organisations exposure to risk.
Internal and External Audit (Third Line of Defense)	Internal and external assurance providers will: • Communicate independent and objective assurance and advice to management and the Audit and Risk Committee on the adequacy and effectiveness of governance and risk management (including internal control). • Satisfy legislative and regulatory expectations that serve to protect the interests of stakeholders.
Council Officers	Abide by and embed all aspects of risk management into activities through understanding of this Policy, Risk Appetite Statement and Risk Management Framework.

6 Document History

Date approved	Change Type	Version	Next Review Date
21 June 2023	Major Change	4.0	21 June 2027
19 March 2018	Major Change	3.5	31 March 2022

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