Enterprise Risk Management Policy

Contents
- Scope
- Purpose
- Definitions
- Policy
- Procedure

Scope

This policy applies to all Councillors, staff and contractors in the City of Parramatta Council. It includes temporary staff, private contractors and consultants having employee functions or acting in an employee capacity on behalf of the City of Parramatta Council.

Purpose

This policy outlines Council's commitment to and objectives around managing risks. It explains that the responsibility for managing risk is the role of senior management, with the involvement and assistance of all staff... Council is committed to managing risk on a systematic, organisational–wide basis consistent with AS/NZS ISO 3100:2009 Risk Management Principles and Guidelines.

Council acknowledges the moral, financial, social and legal responsibility to effectively manage risk and opportunities in all areas of operations and ensure the efficient and ethical use of resources and services used by ratepayers, residents, staff and visitors.

Definitions

Risk - effect of uncertainty on objectives

Risk management - risk management coordinated activities to direct and control an organization with regard to risk.

Risk management framework- set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization.

Risk exposure - extent to which an organization and/or stakeholder is subject to an occurrence or change of a particular set of circumstances.

Risk owner - person or entity with the accountability and authority to manage a risk.

Risk control and treatment - Measure or process to modify risk.

Enterprise Risk Management Policy		
Owner: Manager Governance	Area: Governance and Risk	POL No: 326
Date of Commencement:	Approval Authority: Council	Date Approved: 28 NOV 2016
Amendment: 3	Date of Next Review: 28 NOV 2018	Review: 2 years

Policy

Risk is inherent in all business activities and needs to be managed to maximise opportunities and minimise negative outcomes and:-

- Minimise the incidence of personal injury and ill health of employees and members of the public;
- Minimise the incidence of damage to equipment and facilities;
- Minimise the financial and operational risks and losses to the Council and the public; and
- Minimise resources spent in relation to loss.

Risk Management is an integral part of Council's organisational processes and should not be separated from the main activities and processes of the organisation.

Risk Management is a part of decision making. Every time Council makes a decision there is an exposure to risk. Council's risk management framework minimises the risk and optimises every opportunity.

Risk Management explicitly addresses inherent uncertainty. Council will identify and analyse a range of risks so that risk owners are better able to implement controls and treatments to mitigate the likelihood and / or consequences of uncertainty.

Risk Management is systematic, structured and timely. Council will ensure that Risk Management is planned and controlled to ensure efficiency.

Risk Management is based on the best available information. Council recognises information is often limited, costly and imperfect, but Council will consider information from many sources including observation, experience, forecasts and experts.
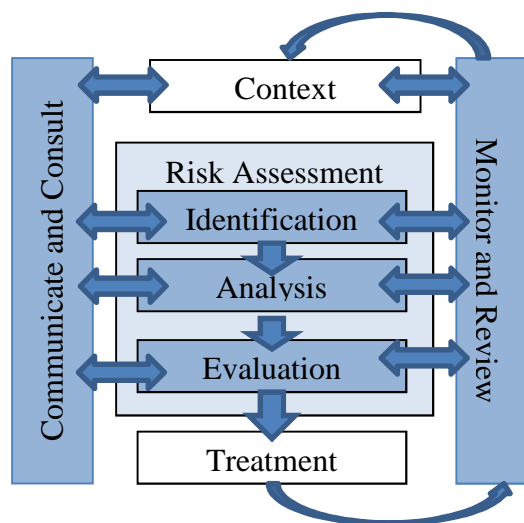
Risk Management is transparent and inclusive. Council's internal and external stakeholders can have a major impact on the organisation and need to be included when establishing and determining risk.

Risk Management is dynamic and responsive to change. Council must respond to changes in the internal and external environment, and amend our process, plans and frameworks accordingly.

Risk Management training will be provided for all appropriate Council officers on how to use and apply the Risk Management Framework to ensure consistency and quality throughout the organisation.

Process

When risk assessment is undertaken

1. We will identify and assess our key risks at least annually in conjunction with our business planning cycle.

2. We will identify and assess risks any time we undertake a new area of business operations or undertake a substantial change in our business operations.

3. We will identify and assess risks whenever we undertake a new project or event.

4. We will periodically review our risk assessment in accordance with our Risk Management Plan.

Responsibilities

1. Council Risk

The Council is ultimately responsible for the level of risk it is willing to accept in making its decisions. The Interim General Manager is ultimately responsible for ensuring risk is managed across the Council. The Executive Team and Senior Management are responsible for the ongoing identification, management and review of risks arising from Council's business operations and the escalation of severe or extreme risks to Council in a timely way. All staff have an ongoing requirement to provide input, including reporting as required, to enable the ongoing identification, assessment and management of risks.

2. Risk Framework

The Manager Governance and Risk is responsible for coordinating the development, implementation and maintenance of the Enterprise Risk Management Framework

and Strategy throughout Council, including training and awareness, corporate risk management performance and management reporting. The Audit & Risk Committee provides independent assurance and assistance to the Council on the risk, control and compliance framework.

3. **Risk Appetite Statement**

   The Council is responsible for approving the Council's Risk Appetite Statement. The Executive Team provides advice to the Council on the Risk Appetite Statement. Council officers are responsible for working within the Appetite Statement.

4. **Strategic Risk**

   The Director responsible for a Major Priority identified in the Corporate Plan is responsible for identifying, monitoring, mitigating and reporting all risks associated with the Major Priority, including ensuring appropriate resources for risk management are made available. Directors also have responsibility for all risks with a residual risk rating of 'Severe' or above. as Directors will be primarily responsible for all Strategic Risks' as determined by the Executive Team and they will be included in the Strategic Risk Register.

5. **Operational Risk**

   The Senior Manager responsible for an area of business operations has ownership of and is responsible for identifying, monitoring, mitigating and reporting all Operational risks, , associated with their business operations, including ensuring appropriate resources for risk management are made available.

6. **Project and Event Based Risk**

   The Project or Event Manager is responsible for identifying, monitoring, mitigating and reporting all risks associated with the project or event, including ensuring appropriate resources for risk management are made available.

How we will measure our Risk Management Performance

7. A report will be provided annually to the Executive Team and the Audit & Risk Committee by the Manager, Governance and Risk setting out how PCC has complied with this policy, including identification of any significant or systemic breaches of this policy and any instances where businesses have been operating outside of relevant risk tolerance levels for more than one month.

How will we communicate this Policy

8. This policy will be communicated to all staff at Induction Training, through regular awareness emails and by inclusion in COPCoP's Policy Register.

9. Framework to be subject to regular review

CoP is committed to the continuous improvement of its ERM Framework. This policy will be subject to review at a minimum every 2 years. A review will also be undertaken in response to any significant change in CoP's business operations or any significant external event that may have an impact on this framework.

Associated documents

Owner	Governance and Risk
Related Documents	Enterprise Risk Management Plan Enterprise Risk Management Procedure Strategic Risk Register Operational Risk Register Project/Event Risk Registers