



DATE ADOPTED: 27 SEPTEMBER 2022

VERSION: 2.0

POLICY OBJECTIVES

The objective of this policy is to articulate Council's commitment to implementing integrated risk management principles, systems and processes ensuring the consistent, efficient, and effective assessment of risk in all of Council's planning, decision-making and operational processes.

POLICY SCOPE

This policy applies to all Staff, Councillors, Contractors, Volunteers of Council in its planning, decision-making and operational processes, and supports the strategic goals and objectives that it seeks to achieve on behalf of the Maitland community.

POLICY STATEMENT

Risk management plays a key role in ensuring that Council achieves its objectives. Council understands the internal and external risks that may impact the obtainment of objectives and has processes in place to identify, mitigate, manage and monitor those risks to ensure the best outcome for Council, staff and the community.

Taking a structured approach to the management of risk throughout the organisation, will promote and demonstrate good corporate governance, to minimise loss and maximise opportunities to improve service delivery, consistent with Australian Standard ISO:31000.

Council is committed to the principles, framework and processes of managing risk as outlined in ISO:31000 and commits to fully integrating risk management within Council and applying it to decision-making, functions, services and activities, in accordance with statutory requirements.

In managing risk, Council relies on the three lines of defence approach.

1. **Departmental Managers (first line)** – responsible for ownership and management of departmental risks and implementing corrective actions to address process deficiencies. Controls are designed into systems and processes under their guidance.
2. **Risk Management and Compliance (second line)** - ensure risk management is embedded across the organisation and monitors first line controls. Facilitate and monitor implementation of effective risk management practices and assist risk owners in defining risk exposure and reporting.
3. **Internal and External Audit (third line)** – Internal Audit provides independent assurance on the effectiveness of governance, risk management, and internal controls. External Audit is under the auspice of the NSW Auditor-General. The audit functions provide Council, senior management and the community with comprehensive assurance, based on the highest level of independence and objectivity.

RESPONSIBILITIES

Council aims to create a positive risk management culture where risk management is integrated into everyday activities and decision making. It is the responsibility of every staff member and business area to observe and implement this policy and Council's risk management framework:

- **Governing Body – Councillors** - Demonstrate strategic commitment of risk management including direction in setting Council's risk appetite, as per Section 223 Local Government Act.
- **General Manager** - Implementation and effective operation of integrated risk management to the whole organisation, supported by policy, procedures, allocation of adequate resources.
- **Executive Leadership Team** - Driving risk management across the organisation and implementing the effective operation of risk management within respective areas of responsibility/accountability. Ensuring allocation of appropriate resources for the management of risk.
- **Managers** - Promote and maintain an environment where managing risk is accepted as the responsibility of each employee. Ensuring all staff have the appropriate capability to perform their risk management roles.
- **Risk and Insurance Team** - Provide technical risk management support and or advice to all Maitland City Council staff, Councillors, volunteers, contractors and other stakeholders as and when required.
- **Employees** - Being familiar with and understanding the principals of risk management, including complying with all policies, procedures and practices relating to risk management
- **Audit, Risk and Improvement Committee (ARIC)** - The Audit, Risk and Improvement Committee (ARIC) is to provide the Governing body (Councillors) and General Manager with information and recommendations for improvements on Council's risk management, documentation, plans and processes, if necessary, as per section 428A of the Local Government Act 1993.
- **Internal Audit** - Internal auditor forms a part of management's internal control system and has an advisory role to support the Audit, Risk and Improvement Committee.
- **External Audit** - Statutory function that provides an opinion on Council's annual financial reports, as required under Divisions 2 and 3 of the Local Government Act 1993, to Council and its external stakeholders.

DEFINITIONS

Term	Meaning
Risk	Is defined as "the effect of uncertainty on objectives"
Risk Management	Is defined as the "co-ordinated activities to direct and control an organisation about risk"
Risk Management Framework	A risk management framework is a set of references and tools relied upon to make decisions about how to manage risk. Including policies, strategies, plans, processes, repositories, and statements of the organisation's position on risk.
Risk Appetite	Is defined as the "amount and type of risk that an organisation is willing to pursue and retain"
Stakeholder	Is defined as "a person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity"
Strategic Risk	Is defined as "uncertainties that may arise affecting the achievement of strategy and business objectives"



Operational Risk	Is defined as “uncertainties that may arise in the course of conducting daily business activities, procedures and systems”
Audit, Risk and Improvement Committee (ARIC)	In accordance with “section 428A of the Local Government Act 1993, the role of the Committee is to review and provide independent advice to the Governing Body and General Manager regarding the aspects of Councils operations”

MONITORING AND REVIEW

Council is committed to continually improving its ability to manage risk. Council will review this policy and its risk management framework as per each term of Council (or if needed) to ensure it continues to meet the requirements of the *Local Government Act 1993*, *Local Government (General) Regulation 2005*, and Council's requirements.

POLICY ADMINISTRATION

BUSINESS GROUP	Strategy Performance & Business Systems
RESPONSIBLE OFFICER	Manager Governance & Risk
COUNCIL REFERENCE	Ordinary Council Meeting
POLICY REVIEW DATE	Three (3) years from date of adoption
FILE NUMBER	81/17
RELEVANT LEGISLATION/STANDARD	<ul style="list-style-type: none"> Local Government Act 1993 and (General) Regulation 2005 Section 428A of the Local Government Act 1993 Work Health and Safety Act 2011 and Regulation 2017 Environmental Planning and Assessment Act 1979 Roads Act 1993 State Records Act 1998 Civil Liability Act 2002 ISO31000
RELATED POLICIES / PROCEDURES / PROTOCOLS	<ul style="list-style-type: none"> Risk Management Plan Audit, Risk and Improvement Committee Terms of Reference Internal Audit Charter and Plan Work Health and Safety Policy & Procedures Statewide Mutual best practice manuals and guidance material including Continuous Improvement Pathway Workbooks

POLICY HISTORY

VERSION	DATE APPROVED	DESCRIPTION OF CHANGES
1.0	28 April 2015	Development of new policy
2.0	25 July 2022	Policy reviewed and amended to reflect changes including, ISO 31000, changes to section 428A Local Government Act 1993, incorporating the Audit, Risk and Improvement Committee .