We Value: **Respect** | **Communication** | **Fun & Humour** | **Pride** | **Trust** | **Teamwork**

G.11 Enterprise Risk Management Policy

Date Adopted by Council	10 June 2016		Council Resolution No.	09-04-18
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Policy Owner	Council		Responsible Officer	CEO
Policy Number	G.11		IX Reference	91181
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	V2	08-Apr-14	Reviewed and adopted	
	V3	17-Apr-15	Reviewed and adopted	
	V4	10-Jun-16	Reviewed and adopted	
	V5	13-Apr-18	Reviewed – no changes	

CEO	Chief Executive Officer
MCCS	Manager Corporate & Community Services
MES	Manager Engineering Services
MFS	Manager Financial Services

1   OBJECTIVE

To adopt guidelines to implement a consistent and rigorous risk management framework, systems, processes, and controls throughout Quilpie Shire Council operations.

2   SCOPE

This policy applies to all of Quilpie Shire Council's activities.

3   STATEMENT

3.1   POLICY CONTEXT

Council's philosophy towards risk is not to be unduly risk averse, but to enable risks to be identified, discussed, mitigated and monitored in a balanced manner.

Council is committed to establishing and integrating our risk management systems and processes to support this philosophy without creating an unnecessary burden on the business.

This policy sets out the processes, responsibility and accountability for risk management of the Quilpie Shire Council. It recognises that risk management is a critical and integral part of good management and corporate governance practice and that, in relation to commercial strategy, an element of risk is inevitable and in some cases encouraged.

This policy supports a structured and focused approach to managing risk to complement the strategies adopted by Council to achieve its corporate objectives, in order to increase confidence and enhance the value the Council provides to its stakeholders.

The principles behind this policy are based on AS/NZ ISO 31000:2009 *Risk Management.*

3.2   ENTERPRISE RISK MANAGEMENT POLICY STATEMENT

Quilpie Shire Council is committed to:

– Behaving as a responsible corporate citizen protecting employees, clients, contractors, visitors and the general public from injury and unnecessary loss or damage;

– Achieving its business objectives by minimising or eliminating the impact of risks it can realistically control;

– Creating an environment where all Council employees will take responsibility for managing risk (by developing and maintaining a strong risk management culture).

3.3   POLICY PRINCIPLES

3.3.1   Objectives

Council will apply a risk management framework which will:

– Incorporate a consistent, systematic process to identify, analyse, mitigate and monitor the key strategic, operational, financial, environmental and compliance risks impacting on the Council;
– Align risk management with business objectives identified in Council's corporate and operational plans;
– Integrate and align existing risk systems to ensure no duplications or overlap;
– Ensure integration of information systems used for reporting on risk to enable aggregation and reporting at a corporate level;
– Allow the necessary controls and policies to be implemented to deliver an appropriate approach to governance and best practice;
– Will embed a culture of risk management throughout the Council.

3.3.2   Principles

Council's risk management processes are based around the following key risk activities:

– Risk Identification: identify all reasonably foreseeable risks associated with its activities, using the agreed risk methodology detailed in the Council's risk protocols.

– Risk Evaluation: evaluate those risks using the agreed Council criteria.

– Risk Treatment / Mitigation: develop mitigation plans for risk areas where the residual risk is greater than our tolerable risk levels.

– Risk Monitoring and Reporting: report risk management activities and risk specific information in accordance with the risk protocols.

3.3.3   Authorities and Accountabilities

Council – adopts this policy and retains the ultimate responsibility for risk management and for determining the appropriate level of risk that it is willing to accept in the conduct of Council business activities. Council will review the effectiveness of the risk management systems.

Chief Executive Officer - is responsible for identifying, evaluating and managing risk in accordance with this policy through a formal enterprise-wide risk management framework. Formal risk assessments must be performed at least once a year as part of the business planning and budgeting process.

Management Team - is responsible for the accuracy and validity of risk information reported to the Council. In addition, it will ensure clear communication throughout the Council of the Council and senior management's position on risk.

The CEO and Manager Corporate and Community Services – will report to Council annually on the progress made in implementing a sound system of risk management and internal compliance and control across Council's operations.

Internal Audit Committee – will align the Strategic Internal Audit Plan with Council's risk profile in conjunction with Council's management, and subject to endorsement from the Audit Committee. Internal Audit will ensure that the results of its reviews are provided to Council's management for update of the Council's risk profile as appropriate.

Internal Audit will also conduct periodic reviews of the risk management framework pursuant to the Strategic Internal Audit Plan.

Employees – are responsible for management of risks within their areas of responsibility as determined under any risk treatment plans.

Employees will be responsible for the timely completion of activities contained within these risk treatment plans. Awareness sessions will be conducted routinely to ensure that employees are familiar with risk management and how it is applied within Quilpie Shire Council.

Risk Monitoring – Council utilises a number of functions, including its Risk and Internal Audit Committees, to perform independent and objective monitoring over its risk areas, including if necessary, conducting reviews over Council's operations and risk areas by external agencies.

The scope of the work undertaken by all of these functions and the reviews by external agencies, will be considered in conjunction with Council's risk profile at least annually. This will assess the independent monitoring of key risk areas within Council's risk profile.

4   DEFINITIONS

What is Risk?	A risk to the business is any action or event that has the potential to impact on the achievement of our business objectives.
	Risk arises as much from the possibility that opportunities will not be

realised as it does from the possibility that threats will materialise or that errors will be made.

<u>What is Risk Management?</u>	Risk management for Council refers to the culture, processes and structures developed to effectively manage potential opportunities and adverse effects for any activity, function or process undertaken by the Council.
	Managing risk is achieved through the systematic application of policies, procedures and practices to identify, analyse, evaluate, treat, monitor and communicate risk.
<u>What is Enterprise Risk Management? (ERM)</u>	Enterprise wide risk management encompasses all the major risk categories (including financial, environmental, health and safety, fraud, information technology, compliance, security and business continuity) and includes the co-ordination, integration, consolidation and consistency of reporting by the various Council functions with identified risks.

5   RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS

Local Government Act 2009

Local Government Regulations 2012

Corporate Plan 2012-2017

AS/NZS ISO 31000:2009 the Australian / New Zealand Standard for Risk Management

IX #	Details
G.11-A	Enterprise Risk Management Framework