



13.2 RISK MANAGEMENT POLICY AND FRAMEWORK

EXECUTIVE MEMBER: JOANNE MCNEILL, GENERAL MANAGER, GOVERNANCE CAPABILITY AND EXPERIENCE

PREPARED BY: JULIE SNOWDEN, COORDINATOR RISK AND ASSURANCE

1. PURPOSE

- 1.1 To seek Council adoption of the Risk Management Policy and noting of the Risk Management Framework

2. EXECUTIVE SUMMARY

- 2.1 In order to achieve its strategic objectives, Council must be prepared for risk. We need our Council to be productive, innovative and efficient but at the same time we need to understand, plan for and engage with risk. This is essential if we are going to achieve our strategic objectives and continue to be a well governed and functioning organisation.
- 2.2 The two key documents we have that detail our organisation's commitment to risk management principles are our Risk Management Policy and Risk Management Framework
- 2.3 The Risk Management Policy approved in 2017 was last reviewed in May 2021 primarily to incorporate the new policy template. As per Council's policy framework guidance material, it is due for a full four (4) year cyclical review.
- 2.4 The Risk Management Framework approved in 2018, (an operational document to guide the organisation), underwent an editorial review in 2020 is also now due for a comprehensive review to align with the policy cyclical review.

3. RECOMMENDATION

That Council:

- 3.1 Adopts the revised Risk Management Policy (Attachment 1) and notes the updated Risk Management Framework (Attachment 2).

4. KEY POINTS/ISSUES

- 4.1 The updated policy and framework have been worked on in conjunction with Risk/Resilience consultant Gary Vogel of RiskLogic whilst also considering the Victorian Government Risk Management Framework (VGRMF).
- 4.2 The updated Framework provides greater clarity on the roles of leaders and the Audit and Risk Committee when it comes to risk management responsibilities.
- 4.3 The Framework includes new guidance on the use of data and analytics, including the use of key risk indicators and key performance indicators to support improved decision making. In addition, we have worked with key stakeholders across the organisation to make the following changes:
- 4.3.1 Added:
- References to Child Safety;
 - Incidents, issues, breaches and claims;
 - Control effectiveness testing;



- Insurance as a risk management tool.
- 4.3.2 Defined:
 - Key risk indicators and key performance indicators;
 - Annual attestation process.
- 4.3.3 Condensed:
 - The operational risk management process into an appendix.
- 4.3.4 Established links with:
 - Emergency Management;
 - Health & Safety;
 - Fraud and Corruption Control;
 - Business Continuity;
 - Legislative & Regulatory Compliance.
- 4.3.5 Explained:
 - Project risk management
- 4.3.6 Simplified:
 - The risk overview graphic and updated the Three Lines of Defence Model to the Three Lines Model in alignment with the Audit Standards.
- 4.4 Performance Planning Local Government Solution (PPLGS) – OneCouncil Electronic Risk Functionality:
 - 4.4.1 We envisage there will be some minor changes required to the framework post the successful and comprehensive introduction of the PPLGS electronic risk functionality, as this will effectively replace the current risk register spreadsheet model. However, the fundamental risk management process will remain the same albeit becoming a supervised overseen self-service process.
- 4.5 The revised Policy and Framework was reviewed and noted by SRIA at its 12 December 2022 meeting and the Audit & Risk Committee (ARCo) at its 21 February 2023 meeting. Some minor enhancements were suggested and ARCo endorsed the revised Policy and Framework in June 2023.

5. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 5.1 Our commitment to you through improving community engagement, advocacy, transparency and governance, risk and policy.

6. IMPLEMENTATION STRATEGY

6.1 COMMUNICATION

- 6.1.1 Both the Risk Management Policy and Risk Management Framework will be communicated to employees, contractors, and volunteers, as appropriate to ensure that all risk management processes and practices are carried out uniformly.

7. OFFICER DIRECT OR INDIRECT INTEREST

- 7.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. Risk Management Policy 6 September 2023 [↓](#)
2. Risk Management Framework 6 September 2023 [↓](#)