



<b>8.7</b>	<b>RISK MANAGEMENT POLICY FRAMEWORK &amp; STRATEGIC RISK REGISTER</b>
<b>WARD:</b>	<b>WHOLE OF MUNICIPALITY</b>
<b>GENERAL MANAGER:</b>	<b>CHRIS CARROLL, ORGANISATIONAL PERFORMANCE</b>
<b>PREPARED BY:</b>	<b>JULIE SNOWDEN, CO-ORDINATOR RISK &amp; ASSURANCE</b>
<b>TRIM FILE NO:</b>	<b>F17/1</b>
<b>ATTACHMENTS:</b>	<b>1. Risk Management Policy 2. Risk Management Framework 3. Current Strategic Risk Register May 2017.xlsx</b>

## **PURPOSE**

To seek Council approval of the Risk Management Policy and noting of the Risk Management Framework and Strategic Risk Register.

## **I. RECOMMENDATION**

That Council:

- 1.1 Adopts the revised Risk Management Policy (attachment 1) and notes the Risk Management Framework (attachment 2).
- 1.2 Considers and notes the outcomes from the annual review of the Council's strategic risks.

## **2. BACKGROUND**

### Risk Management Policy and Framework

- 2.1 Council's Risk Management Policy ('the Policy') and Risk Management Framework ('the Framework') was adopted by Council in 2012. The Policy describes our commitment to managing risks and details the organisation's risk management objectives and responsibilities. The Framework provides structure and guidance to Council's risk management activities and outlines the process for designing, implementing, monitoring and reviewing risk management throughout Council.
- 2.2 In July 2016, an Internal Audit review provided a number of recommendations to review, enhance and update the Framework including:
  - The Risk methodology (risk-based approach to managing, monitoring and reporting risks).



- A requirement for the 6 monthly review of risks or following a material change to business operations.
  - A structured program of activities incorporating formal requirements for continuous update and maintenance of the risk register to ensure that risk information remains current and can be relied upon to support decision making.
  - Further coaching to Risk Owners in the risk identification, review and monitoring process, particularly when emerging risks have been identified outside of the formal process or when a risk event has occurred.
  - Setting out the Roles and Responsibilities of Control Owners.
  - Referencing the Three Line of Defence operating model that Council currently utilises including the roles and responsibilities across each line.
  - Considering the cost / benefit of procuring a Risk Management & Compliance system to capture risks, incidents and internal audit findings.
  - Reviewing and updating the current defined risk appetite to support risk-based decision making.
- 2.3 The revised Policy (Attachment 1) and Framework (Attachment 2) reflects all recommendations.
- 2.4 The proposed revised Policy and Framework was reviewed by ELT at its 20 April 2017 meeting and the Audit & Risk Committee (ARCO) at its 2 May 2017 meeting. Some minor enhancements were suggested and ARCO endorsed the presentation of the revised Policy.

#### Strategic Risks

- 2.5 As per Council's current Enterprise Risk Management Framework, strategic risks are to be reviewed at least annually by ELT.
- 2.6 Strategic risks represent the key internal and external risks that may have a significant impact on our ability to operate and achieve Council's objectives.
- 2.7 ELT have reviewed strategic risks regularly, helping inform the enterprise priorities for improvement for the last 3 years.
- 2.8 Strategic risk has been reviewed in developing the Council Plan and now includes metrics to outline the risk appetite for each strategic risk. These metrics are reported in the Council Plan and Enterprise Reports.
- 2.9 The strategic risks (detailed in Attachment 3) were reviewed by ELT at its 20 April and 22 May 2017 meetings. They were provided as input into the annual ARCO planning workshop and will be a key input into Council's annual business planning process for 2017/18.
- 2.10 ARCO supported the presentation of the revised strategic risks to Council for formal consideration and noting.



***FURTHER SUPPORTING INFORMATION***

**3. OFFICER DIRECT OR INDIRECT INTEREST**

- 3.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.