



# RISK MANAGEMENT POLICY

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# Risk Management Policy

*This policy is set by Council for use by the community and council administration*

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**Responsible Team** Risk & WHS

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**Other Key Internal Stakeholders** Management Group

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# Risk Management Policy Statement

The City of Playford recognises that commitment to risk management contributes to sound management practice and increasing community confidence in local government performance.

The City of Playford is committed to the development and implementation of a risk management framework specific to the organisation's business and the organisational context. The design of the risk management framework reflects the principles and the process outlined in the international risk management standard AS/NZS ISO 31000.

Risk management is underpinned by the key principle that ***“risk management contributes to the creation of sustainable value”***. The consistent and systematic application of risk management is central to maximising community outcomes, managing uncertainties and benefitting from opportunities.

The City of Playford adopts an integrated and proactive approach to risk management. The management of risk and opportunity is integrated into strategic planning and other activities of the organisation including measured risk-taking and decision making, governance, reporting, policy development, as well as its values and culture.

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**Chief Executive Officer – Mal Hemmerling**

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**Date**



## 1. Purpose

- 1.1. The purpose of the Risk Management Policy (the Policy) is to enable an integrated approach to risk management through:
  - 1.2.1 The City of Playford's commitment to core risk management principles;
  - 1.2.2 Defining responsibilities for the application of risk identification, assessment, evaluation and treatment programs across Council operations;
  - 1.2.3 A Risk Management Framework that provides the tools and programmes to underpin Council's approach to achieving a balance between the costs of managing a risk and the anticipated benefits.
- 1.2. The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives. This document is for use by people who create and protect value in Council by managing risks, making decisions, setting and achieving objectives and improving performance.
- 1.3. The international standard for Risk Management - Guidelines (ISO 31000:2018) describes risk as: "...the effect of uncertainty (either positive, negative or both) on objectives..." The goal is not to eliminate all risks, but rather to manage risks involved in Council's functions and services and to create and protect value for our stakeholders and community.
- 1.4. To achieve the objectives of the Policy, the Risk Management Framework has been developed.

## 2. Scope

- 2.1 This policy is intended to give direction as to the appropriate course of action for the management of risk.
- 2.2 This policy applies to all Workers and the Elected Body / Council Member.
- 2.3 This policy should be read in conjunction with the Risk Management Framework.

## 3. Legislation and References

- Local Government Act 1999 (South Australia)
  - Work Health and Safety Act 2012
  - Civil Liabilities Act 1936
  - AS/NZS ISO31000:2009 Risk Management – Principles and Guidelines
  - ISO31000:2018 Risk Management - Guidelines
  - City of Playford Risk Management Framework
- 3.1 Section 125 of the Local Government Act 1999 ('LG Act') requires Council to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.

- 3.2 Section 132A of the LG Act requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- 3.3 Section 134(4) (b) of the LG Act requires Council to adopt risk management policies, controls and systems.

#### **4. Definitions**

**Elected Body / Council Member.** The definition referring to the Elected Body is Council Member. Council Member means the principal member or a councillor of the council.

**Council.** The City of Playford in its entirety as an organisation.

**Employee.** A person employed by the Council on an ongoing or fixed term full time, part time and/or long-term casual basis.

**Workers.** Employees, Volunteers and Contractors.

**Risk.** The international standard for Risk Management - Guidelines (ISO 31000:2018) describes risk as: "...the effect of uncertainty (either positive, negative or both) on objectives..."

**All other definitions are outlined within the Risk Management Framework.**

#### **5. Policy**

- 5.1 Council is committed to maintaining and applying governance and risk management principles to ensure that any impacts to strategic and business objectives are considered and analysed.
- 5.2 Council will adopt and implement a systematic approach to identify, assess, evaluate and treat risks. The risk management program involves identifying opportunities to ensure Council achieves its strategic goals whilst recording and managing its operational risks.
- 5.3 Management will lead, actively participate and have complete oversight over all aspects of risk management within their areas of responsibility.
- 5.4 Council will maintain the Risk Management Framework consistent with the guidelines and principles of risk management as set out in the International Standard ISO31000:2018 – Risk Management Guidelines, with the goal of providing a consistent approach for dealing with uncertainties likely to impact on the achievement of Council's Vision.
- 5.5 The risk register(s) will be periodically and consistently reviewed in accordance with set timeframes identified in the Risk Management Framework.

- 5.6 The performance of the risk management program will be measured through three distinct categories:
- 5.6.1 Compliance with the Policy and related documentation
  - 5.6.2 Value add to the whole of Council
  - 5.6.3 Maturity of Councils Risk Culture (i.e. Risk Management Maturity Assessments)

## **6. Responsibilities**

### **6.1 Elected Body (Council Members)**

The Elected Body (Council Members) is responsible for the approval of this Policy and overseeing the systematic approach to managing risk across Council operations.

### **6.2 Corporate Governance Committee**

The Corporate Governance Committee is responsible for the following:

- 6.2.1 Assist and support the Elected Body / Council Members in its oversight of risk management across Council operations;
- 6.2.2 Review developments and adequacy of principles, policies and practices of Financial Planning and Reporting, Corporate Governance, Risk Management and Internal Control and make recommendations to Council as appropriate;
- 6.2.3 Assist the Council in reviewing the principal risks facing the Council, including those that threaten the Council's strategic directions;
- 6.2.4 Assist in the effective management of financial and other risks and the protection of Council assets.

### **6.3 Chief Executive Officer (CEO)**

The CEO has the responsibility for ensuring that:

- 6.3.1 The Risk Management Framework is established and implemented;
- 6.3.2 Risk management is integrated into Council's activities and functions; and
- 6.3.3 Identifying and approving resources for the function that will lead risk management to embed risk culture across the organisation.

### **6.4 Management Team (MT)**

Members of the Management Team (i.e. Deputy CEO, General Managers, Senior Managers and Managers) are responsible for:

- 6.4.1 Commitment to promotion of this Policy and the Framework whilst monitoring Council's overall risk profile and controls;
- 6.4.2 Reporting the status of Council's risk profile and treatment strategies to the Corporate Governance Committee;
- 6.4.3 The implementation, management and evaluation of risk management, in accordance with the Policy and Framework within their areas of responsibility;
- 6.4.4 Undertaking the risk management program as per the requirements of the Policy and Framework; and
- 6.4.5 Ensuring that risk based information is recorded in Council's Risk Register.

## 6.5 Risk Management Team (Risk & WHS)

The Risk Management Team is responsible for:

- 6.5.1 Assisting the Management Team to develop, implement and maintain the Risk Management Framework and program in a systematic and standardised manner;
- 6.5.2 Development and maintenance of a Risk Register(s) that records reasonably foreseeable Operational and Strategic risks, including risk treatment strategies;
- 6.5.3 Assisting the Management Team in development and compilation of reports relating to Council's risk profile and treatment strategies.

## 6.6 Employees, Volunteers and Contractors (Workers)

All Council Workers are responsible for:

- 6.6.1 Identifying, evaluating and managing risks in their daily activities and projects;
- 6.6.2 Adhering to the requirements of Council's Risk Management Policy and Framework.

## 7. Relevance to Strategic Plan

- 7.1 Risk Management is key in the successful achievement of Council's Strategic Management Plans. Managing risk is iterative and assists Council in setting strategy, achieving objectives and making informed decisions.

## 8. Accessibility

The Risk Management Policy will be available on Council's web site [www.playford.sa.gov.au](http://www.playford.sa.gov.au) with hard copies supplied on request. The Risk Management Framework is available to Council employees on Council's intranet.

## 9. Feedback

We invite your feedback on this policy which can be directed to 'Manager, Risk & WHS' to [playford@playford.sa.gov.au](mailto:playford@playford.sa.gov.au).

## 10. Approval and Change History

| Version | Approval Date   | Approval by | Change                      |
|---------|-----------------|-------------|-----------------------------|
| 1       | 22 May 2012     | Council     | New Policy                  |
| 2       | 23 October 2018 | Council     | Policy completely rewritten |