Enterprise Risk Management Policy

Responsible officer:	Manager People and Safety
Key Result Area:	Organisational Improvement
Document type:	Strategic Policy
Reference:	11.15
Approved by:	Chief Executive Officer
Date approved:	6 March 2026
Date of next review:	6 March 2030

1. Intent

This policy demonstrates that Towong Shire Council understands and manages risk and seeks to ensure that there is consistency to the methods used in assessing, monitoring and communicating risks across the organisation.

Council will maintain a program of strategic and operational risk management to ensure that the community and the Council are protected against loss by adding clarity to decision making. This will place Council in a position to capitalise on opportunities by providing a better understanding of the implications of decision

2. Scope

This policy applies to all areas across Council and applies to Councillors, employees, contractors and to any person or organisation that acts for or represents Towong Shire Council.

Risk Management will be:

- Integrated into corporate and operational planning.
- Used as a critical business tool in decision making; and
- Used as a critical part of project management.

Key drivers for risk management include sound governance, legislative frameworks, decision making, environmental sustainability, social sustainability and financial sustainability.

To the extent that the contents of this policy refer to obligations on Council, they are guidelines for management or summaries of applicable legislative requirements only, and are not contractual terms, conditions or representations on which an employee or other workers may rely.

3. Policy Statement

Risk is inherent in all Council's business activities, programs, services, projects, processes and decisions. Towong Shire Council is committed to the identification and management of all risks associated with the performance of Council functions and the delivery of Council services and embedding Risk Management as part of Council's governance framework to protect its employees, the public, assets and the environment.

Council's approach to ERM is based on the Australian/New Zealand and International Standards AS/NZS ISO 31000:2018.

Towong Shire Council recognises it has responsibility to identify and address all threats and opportunities associated with:

a) The provision of a safe and healthy operating environment for all employees, the public and other stakeholders involved with the provision and use of Council services and infrastructure; and
b) The prudent management of Council property and resources on behalf of ratepayers; and

c) The achievement of Council's corporate objectives to provide effective service to the public.

A Risk Appetite Statement endorsed by Council will guide decision making. Due to the complex and varied nature of Council's organisational activities a definitive risk appetite for each eventuality is not practicable. The Risk Appetite Statement will define the amount and type of risk that Council is willing to take in relation to achieving objectives. Risk management performance will be measured, monitored and reported and matters will be escalated in accordance with this policy.

4. Risk Management Framework

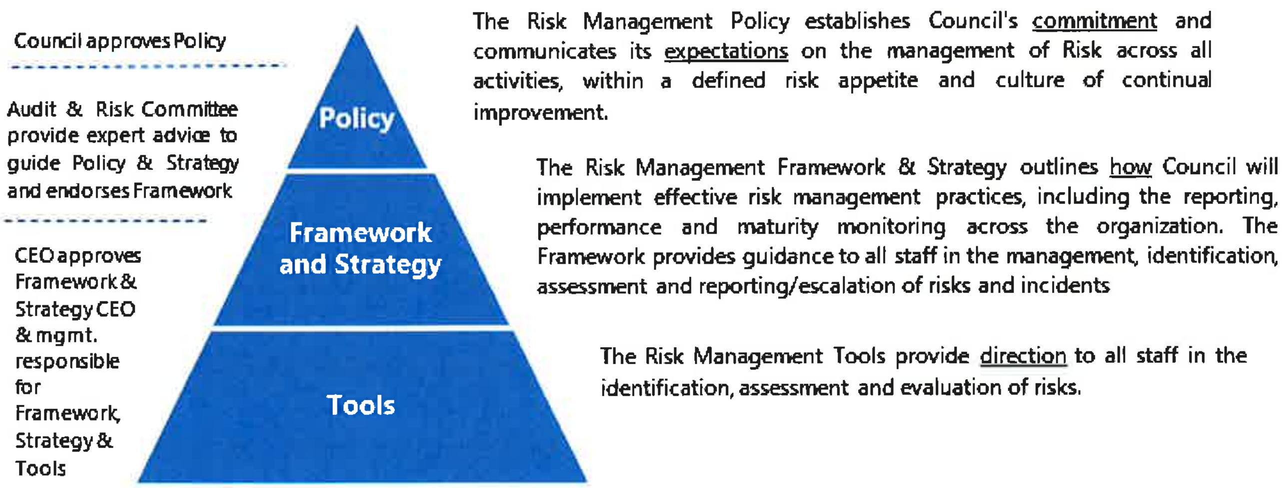
The Chief Executive Officer is responsible for maintaining and implementing a Risk Management Framework which will enable Council to ensure risk management is an integral part of service delivery and management processes. The Framework is informed by the Policy and describes the management of corporate and operational risks, how the organisation will learn from incidents and encourages continual improvement.

A review of the implementation and effectiveness of the Risk Management Framework will be conducted annually and reported to the Audit and Risk Committee (the Committee). The annual review will include any material changes to the framework and associated risk management tools. A report from the Committee on the Risk Management Framework will be provided to Council following the review.

Council is committed to the highest level of governance, transparent decision making, sound financial management and keeping the community engaged and informed. However, Council recognises the need to balance the cost, resources and time required for the implementation of best practice with other competing priorities. Therefore, best practice, while aspirational, is not always the most appropriate solution. Council will work with Auditors to ensure solutions are focused on risk management and that actions are practical, appropriate for a small rural Council and workable.

5. Roles & Responsibilities

Each role within the Towong Shire Council has an accountability for the management of Risk. The diagram below provides an overview of roles and responsibilities, and the table provides detailed responsibilities.



Role	Accountabilities
Council	• Approve a Risk Management Policy that sets out the requirement to ensure risk is effectively managed, escalated and monitored. • Appoint and resource the Audit and Risk Committee, ensuring Councillor participation, to provide oversight and guidance on risk management policies, framework and controls. • Review and set the Council's risk appetite to provide guidance and direction to the organisation on tolerance of risks. • Approve target controls to be implemented to manage extreme corporate risks
Audit and Risk Committee (apt by Council)	• Monitor and provide advice on Council's governance, risk management and assurance practices. • Monitor the compliance and adequacy of Council's policies and procedures. • Monitor the implementation and effectiveness of the Risk Management Framework and Strategy. • Monitor the effectiveness of the management of critical potential risk exposures and report to Council. • Endorse the internal audit plan to ensure that risk audits are scheduled as part of a coordinated annual audit plan. • Provide advice on target controls to manage extreme corporate risks.
Internal Auditor	• Review operational and corporate risks as part of the three-year internal audit plan. • Evaluate the effectiveness of internal controls and make recommendations. • Make Recommendations to improve Council's risk maturity.
Chief Executive Officer	• Accountable for the identification, escalation and management of risk. • Accountable for reporting risk to Council • Responsible for raising awareness and leading the culture of managing risk responsibly across the organisation. • Responsible for approving further controls or proceeding without further controls in accordance with the risk acceptability statements.
Directors	• Champion a robust risk management culture by promoting and encouraging the implementation of the Risk Management Policy and Framework in their directorates. • Manage and monitor risks within their Directorate. • Ensure that an active risk control environment is implemented and maintained. • Ensure that risks are identified and evaluated as part of service area planning processes. • Participate in the review and updating of Council's corporate risks. • Ensure that accountabilities for managing risks are clearly defined. • Responsible for approving further controls or proceeding without further controls in accordance with the risk acceptability statements.
Managers, Coordinators and Service Line Leaders	• Accountable for implementing risk management practices in their area of responsibility, including ensuring that risks are identified, managed, reviewed and updated regularly. • Ensure that agreed upon controls are maintained or implemented. • Provide risk identification and assessment as part of their annual service line budget. • Assessing and updating risks identified in their annual service budget plan to enable reporting and monitoring in accordance with this Policy. • Responsible for approving further controls or proceeding without further controls in accordance with the risk management framework
Risk Owner	• Ensure that risks are reported in accordance with the risk reporting requirements. • Ensure that treatment plans are developed or embedded within existing business planning documents. • Ensure that individuals and businesses working on behalf of Council are properly informed of their risk management obligations • Provide progress updates to the Manager of Safety and Risk on implementation of treatment plans/ actions to address high and extreme risks.

Role	Accountabilities
Risk & OHS Team	• Provide expert advice on contemporary risk management practices. • Coordination of risk management activities across the organisation • Facilitate and support the implementation of the Risk Management Framework and Strategy. • Coordinate and support the preparation of risk performance measurement, monitoring and reporting. • Act as reference point for Internal Audit Program. • Provide support for the Audit and Risk Committee. • Preparation of documentation and training.
All Team members	• Implement risk management policies and practices through use of the risk management framework and tools. • Employ risk management principles and practices in day-to-day duties and functions. • Report on any matter that may create a potential risk exposure to the organisation, fellow employees, contractors or the public.

6. Privacy and Confidentiality

The collection, storage, use, and disclosure of personal information will comply with the Privacy Act 1988 (Cth) to the extent that it applies to Council and the Privacy and Data Protection Act 2014 (Vic), which provides for the responsible handling of personal information by Victorian local governments.

For the avoidance of doubt, all personal health information provided to Council in the course of administering this policy will be treated in the strictest of confidence and will only be used for the purposes of this policy.

7. Human Rights

The policy gives regard to relevant legislation, principles of natural justice and procedural fairness, community values and Council's resource capacity. It is considered that this policy supports the rights identified in the *Charter of Human Rights and Responsibilities Act (2006).*

8. Relevant Legislation and Policies

<u>Relevant Legislation</u>

Local Government Act 2020 (Vic)
Australian AS ISO 31000:2018 Risk Management – Guidelines
Occupational Health and Safety Act 2004 (Vic)
Occupational Health and Safety Regulations 2017 (Vic)

<u>Relevant Policies</u>

Enterprise Risk Management Framework Procedure
Council Plan
Occupational Health and Safety Policy
Incident and Hazard Reporting, Investigation Management Procedure
OHS Risk Management Procedure

9. Policy Review

The policy should be reviewed at least every four years from the date of adoption. Trigger points that require an earlier review period of the policy or associated document/s include (but are not limited to):

- change in legislation which has a bearing on the document
- change in Council's position on risk appetite

- recommendation from a governance body (e.g. Audit and Risk Committee recommendation, Internal or External Audit Recommendation, integrity agency)
- quality assurance due to continuous improvement initiatives, and/or
- changes in Council's agreed service levels.

Authorised by: ______________________

Juliana Phelps
Chief Executive Officer