

# Draft Revised Risk Management Policy

## 1. Purpose

- 1.1 AlburyCity is committed to implementing organisation-wide risk management principles, systems and processes that ensure the consistent, efficient, and effective assessment of risk in AlburyCity's planning, decision-making and operational processes. Effective risk management is a key enabler for AlburyCity to deliver on our vision, Towards Albury 2050 Community Strategic Plan, Our Future 2031 Strategy and our Corporate Success Pillars.
- 1.2 The purpose of this policy is to clearly document AlburyCity's commitment to risk management principles in order to:
  - i. Increase the likelihood of achieving objectives including realisation of Towards Albury 2050 Community Strategic Plan (2022 – 2050) and AlburyCity Our Future 2031.
  - ii. Encourage proactive management of hazards and risk.
  - iii. Establish a reliable basis for decision making and planning.
  - iv. Improve operational effectiveness and efficiency and improve organisational resilience.
  - v. Enhance health and safety performance as well as environmental protection.
  - vi. Improve the identification of opportunities and threats.
  - vii. Improve financial reporting and governance.
  - viii. Comply with relevant legal and regulatory requirements.

## 2. Scope

- 2.1 The policy is applicable to all AlburyCity employees, operations, functions, and programs. This includes any activities undertaken on behalf of the Council, by contractors or representatives of Council.

## 3. Definitions

- 3.1 Risk – effect of uncertainty on objectives, where an effect is a deviation from the expected. It can be positive, negative or both, and can address, create, or result in opportunities and threats.
- 3.2 Risk Management – coordinated activities to direct and control an organisation with regard to risk.
- 3.3 Our People – Our People (permanent, temporary, and casual), and includes volunteers, work experience persons and contractors.

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3.4 Senior Leaders – includes Executive, Service Leaders, Team Leaders.

## 4. References

- 4.1 Office of Local Government (2023) [Guidelines for Risk Management and Internal Audit for Local Government in NSW](#) (accessed 17 April 2023).
- 4.2 Office of Local Government (2022) [Guidelines for Risk Management and Internal Audit for Local Government in NSW \(DRAFT\)](#) (accessed 17 April 2023).
- 4.3 AS ISO 31000:2018 Risk Management – Guidelines.

## 5. Content

### 5.1 Risk Management Framework

5.1.1 AlburyCity provides critical services and infrastructure to the residents, ratepayers, and visitors to our city. AlburyCity also has service agreements and contractual obligations with government and non-government agencies and organisations and has its own strategic goals and objectives that it seeks to achieve on behalf of the Albury community.

5.1.2 It is essential that AlburyCity understands the internal and external risks that may impact the delivery of these services, contracts and strategic objectives and have processes in place to identify, mitigate, manage, and monitor those risks to ensure the best outcome for AlburyCity, Our People and the community. It is also our responsibility to ensure the efficient, effective, and ethical use of resources and services by ratepayers, residents, Our People, and visitors.

5.1.3 AlburyCity's risk management framework is consistent with Australian Standard AS ISO 31000:2018 Risk Management - Guidelines to assist council to identify, treat, monitor, and review all risks to its operations and strategic objectives and apply appropriate internal controls.

5.1.4 AlburyCity is committed to the principles, framework, and process of managing risk as outlined in Australian Standard AS ISO 31000:2018 Risk Management - Guidelines and commits to fully integrating risk management within AlburyCity and applying it to all decision-making, functions, services, and activities of AlburyCity in accordance with our statutory requirements. In doing so, AlburyCity recognises that risk management is the creation and protection of value. It improves performance, encourages innovation, and supports the achievement of our objectives.

5.1.5 Effective risk management is comprised of the following principles:

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- i. Integrated – risk management is integrated into all council activities and decision-making processes.
  - ii. Structured and comprehensive – risk management is a structured and comprehensive process that achieves consistent and comparable results.
  - iii. Customised – the risk management framework and process are customised to the council.
  - iv. Inclusive – risk management is inclusive of all stakeholders and enables their knowledge, views, and perceptions to be considered.
  - v. Dynamic – risk management is dynamic and able to respond to changes and events in an appropriate and timely manner.
  - vi. Best available information – risk management decisions are based on the best available information and take into account any limitations and uncertainties.
  - vii. Human and cultural factors – risk management takes into account human and cultural factors.
  - viii. Continual improvement – risk management is continuously and periodically evaluated and improved through learning and experience.
- (Ref: AS ISO 31000:2018 Risk Management – Guidelines)

## 5.2 Responsibilities

5.2.1 AlburyCity aims to create a positive risk management culture where risk management is integrated into everyday activities and managing risks is an integral part of governance, good management practice and decision-making at AlburyCity. It is the responsibility of all Our People and Clusters to observe and implement this policy and AlburyCity's risk management framework.

## 5.3 Council

5.3.1 Consistent with the governing body's strategic leadership role under section 223 of the Local Government Act, the governing body is responsible for establishing the foundational elements of the council's risk management framework and setting the 'tone at the top'.

5.3.2 This includes approving by resolution the Council's risk criteria/appetite – a statement that conveys how much risk will be tolerated by the governing body in the pursuit of the strategic objectives for the council, and how risk is to be managed and decisions made within this context. The council's risk criteria/appetite is to be approved in consultation with the Audit, Risk and Improvement Committee.

5.3.3 Council will review the Risk Management Policy and amend as required and provide adequate budgetary provision for risk management strategies to be implemented.

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#### 5.4 Audit, Risk, and Improvement Committee (ARIC)

5.4.1 To ensure AlburyCity is effectively managing its risk and complying with its statutory obligations, AlburyCity's Audit, Risk, and Improvement Committee (ARIC) and internal audit function is responsible for reviewing:

- i. The implementation of the council's risk management framework and issues an assessment of the effectiveness of Council's risk management framework to the governing body each council term.
- ii. Risk management processes and procedures.
- iii. Risk management strategies for major projects or undertakings.
- iv. Control environment and insurance arrangements.
- v. Business continuity planning arrangements.
- vi. Fraud and Corruption control plan.

#### 5.5 Chief Executive Officer

5.5.1 The Chief Executive (CEO) has the ultimate responsibility for ensuring that Risk Management is managed across the Council.

5.5.2 AlburyCity's Chief Executive Officer is responsible for implementation of Council's risk management framework. This includes:

- i. Overseeing Council's risk management framework and ensuring it is effectively communicated, implemented, and reviewed regularly.
- ii. Approving Council's risk management policy, plans and risk reports.
- iii. Promoting and championing a positive risk culture.
- iv. Assigning authority and accountability for risk management at appropriate levels and to appropriate officers in Council, and ensuring they are held accountable for these responsibilities.
- v. Annually attesting that AlburyCity's risk management framework complies with the Guidelines.
- vi. Approving Council's implementation of corrective actions recommended by Council's internal audit function or financial statement audit function, and external Audit, Risk and Improvement Committee.

#### 5.6 Senior Leaders

5.6.1 Risk management is a core responsibility for all senior leaders at AlburyCity. In addition to their responsibilities as Council Officers, senior leaders are responsible for:

- i. Ensuring all Our People manage their risks within their own work areas. Risks should be anticipated, and reasonable protective measures taken.
- ii. Encouraging openness and honesty in the reporting and escalation of risks.
- iii. Ensuring all Our People have the appropriate capability to perform their risk management roles.

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- iv. Reporting to the Chief Executive Officer on the status of risks and controls.
- v. Identifying and communicating improvements in AlburyCity's risk management practices to AlburyCity risk management function.

## 5.7 Our People

5.7.1 All Our People are responsible for identifying and managing risk within their work areas. Key responsibilities include:

- i. Being familiar with, and understanding, the principles of risk management.
- ii. Complying with all policies, procedures and practices relating to risk management.
- iii. Alerting management to risks that exist within their area.
- iv. Performing any risk management activities assigned to them as part of their daily role.

5.7.2 AlburyCity's risk management function is available to support Our People in undertaking their risk management activities.

## 5.8 Monitoring and Review

5.8.1 AlburyCity is committed to continually improving its ability to manage risk. This policy will be reviewed every four years (each term of Council) and the risk management framework will be reviewed annually to ensure it continues to meet the requirements of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021*, and AlburyCity's requirements.

5.8.2 Regular reporting is required to monitor the effectiveness of the risk management process. Risk Management updates will be provided to Council and the Audit and Risk Committee twice yearly and to the Executive Leadership Team quarterly.

5.8.3 A self-assessment of the council's risk management framework will be undertaken annually and reported to the Chief Executive Officer in accordance with the Office of Local Government NSW Guidelines.

## 5.9 Annual Attestation

5.9.1 Commencing with the 2024-2025 annual report, AlburyCity will attest each year in the Council's annual report compliance with the following requirements in relation to its risk management activities:

- i. The Council has adopted a risk management framework that is consistent with current Australian risk management standards and is appropriate for the council's risks.

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- ii. The Council's Audit, Risk and Improvement committee reviews the implementation of AlburyCity's risk management framework and issues an assessment of the effectiveness of the council's risk management framework to the governing body each council term.

#### 5.10 Strategic Assessment Meeting

- 5.10.1 The Audit, Risk and Improvement Committee, the governing body and the Chief Executive Officer will come together at the close of the council term or commencement of the new council term to discuss the committee's strategic assessment of Council, how the council proposes to respond to the committee's recommendations during the next council term and any other important internal audit and risk management issues.

## 6. Documentation

- 6.1 Local Government Act (NSW) 1993.  
6.2 AS/NZS ISO 3100: 2018 Risk Management – Guidelines.  
6.3 Office of Local Government (2022) Guidelines for Risk Management and Internal Audit for Local Government in NSW (DRAFT) <https://www.olg.nsw.gov.au/wp-content/uploads/2023/02/Draft-Guidelines-for-Risk-Management-and-Internal-Audit-for-Local-Government-in-NSW%E2%80%93-PDF.pdf>.  
6.4 Towards Albury 2050 Community Strategic Plan.  
6.5 Our Future Albury 2031 Strategy.  
6.6 AlburyCity Risk Management Framework.

## 7. Authorisation

|                      |  |  |
|----------------------|--|--|
| Owner                | Directorate  | Strategy and Performance                 |
|                      | Responsible Officer  | Team Leader Corporate Performance        |
| Authorisation        | Adopted Council<br>24 July 2023                                      |  |
| Review Date          | July 2027  |  |
| Register             | This policy is included in the Public Policy and Procedure Register. |  |
| Record of Amendments | Insert date  | Provide brief description of the change. |
|                      | Insert date  | Provide brief description of the change. |

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