

Governance 8: Risk Management

1. Purpose

The purpose of this policy is to establish organisation-wide risk management principles, systems and processes that ensure consistent, efficient, and effective assessment of risk in all planning, decision making and operational processes.

2. Planning

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

3. Policy Statement

The City of Kalamunda is committed to ensuring that risk is managed in accordance with AS/NZS/ISO 31000:2018. Risk Management is embedded in all aspects of management ensuring that the principles of risk management are applied to all relevant levels and functions of the organisation.

4. Detail

The City of Kalamunda manages its risks continuously using a process that involves the identification, analysis, evaluation, treatment, monitoring and review of risks. It will be applied to decision making through all levels of the organisation in relation to planning or executing any function, service or activity.

The City has a low appetite for risks that relate to:

- a) Health, safety and the wellbeing of staff and the community.
- b) Administration of finances and assets.
- c) Legislative compliance.

The City has a potentially higher risk appetite where benefits created by innovation or new initiatives outweigh the risks.

Risk Management is embedded in all aspects of management and is a vital element of the governance framework. The benefits of risk management embedded in all aspects of management are:

- a) Effective management of adverse events or opportunities that impact on our purpose and objectives.

- b) Ability to make informed decisions regarding management of potential negative effects of risk and take potential advantage of opportunities.
- c) Improved planning and performance management processes enabling a strong focus on core business service delivery and implementation of business improvements.
- d) Ability to direct resources to risks of greatest significance or impact.
- e) Improvement in culture of the organisation enhancing staff capacity to understand their role in contributing to the achievement of objectives.
- f) Greater organisational objectives.

5. Community Consultation

Whilst no direct community consultation was undertaken regarding risk management, extensive internal consultation is undertaken via the City's Leadership Team and subject to review by the Audit and Risk Management Committee.

6. Governance

The City's Integrated Risk Management Plan has been established in accordance with AS/NZS/ISO 31,000:2018.

The Audit and Risk Committee has a key role governed by the *Local Government Act 1995*, *Local Government (Audit) Regulations 1996*. This role is to provide guidance and assistance to the local government as to the carrying out of its functions in relation to audits, the appointment of external auditors, review of reports given to it by the CEO, review the Annual Compliance Return and consider the CEO biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance.

Risks will be regularly reviewed and reported through the Council's Audit & Risk Committee.

7. Measures of Success

The success of this policy will be measured through:

- a) A year on year comparison of the City Risk Profile
- b) Annual reviews of the City Integrated Risk Management Plan by Council.

8. Definitions

Risk Profile – an evaluation of an organisations willingness and ability to take risks and to identify the threats it may be exposed to.

Risk Appetite – the level of risk an organisation is prepared to accept in pursuit of its objectives before action is deemed necessary to reduce the risk.

Status	Council and Statutory Requirement		
Related Local Law	N/A		
Related Council Policies	N/A		
Relevant Delegation	N/A		
Related Internal Procedures	This Risk Management Policy should be read in conjunction with the Integrated Risk Management Plan.		
Related Budget Schedule	N/A		
Legislation	<i>Local Government Act 1995</i> AS/NZS/ISO 31000:2018.		
Notes and Conditions	N/A		
Authority	Council		
Adopted	12 October 2021	Next Review Date	12 October 2023