

# Policy

## Governance 8 – Risk Management

<b>Policy Category</b>	Governance
<b>Responsible Directorate</b>	Corporate
<b>Responsible Business Unit</b>	Governance 8
<b>Relevant Legislation</b>	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>

### 1. Objective

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. The embedding of risk management into all aspects of the City's decision-making processes enables the City to minimise the potential negative impacts of risk and increase opportunities to drive innovation and resilience.

The objectives of this policy are to develop a culture of awareness of the processes directed towards the effective management of potential opportunities and adverse effects across the City. Implementation of an effective risk management framework, enables the City to:

- a) Foster a proactive risk management culture empowering Council Members, employees, contractors to take ownership of risk management responsibilities.
- b) Enhance decision-making processes by integrating risk management practices into the City's strategic planning and operational activities.
- c) Protect the City's assets, reputation and resources through minimising potential negative impacts and capitalising on opportunities for improvement.
- d) Reduce potential costs of risk through assessment and mitigation measures.
- e) Ensure compliance with legislative requirements through structured and repeatable risk management procedures.

The achievement of these objectives will enable the City to enhance the resilience and effectiveness of its operations.

## 2. Policy

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.

- Risk Appetite

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.

- Scope

This risk management policy applies to all areas of the City's operations, including but not limited to:

- a) Ensuring that members of council are aware and adhere to the risk management framework in their decision making.
- b) Engaging all employees in identifying and assessing and mitigating risks within their roles and responsibilities.
- c) Extending risk management practices to contractors and business partners ensuring alignment with the City's risk management objectives.
- d) Integrating risk management into the planning, execution and evaluation of all City projects.
- e) Protecting physical and digital assets through proactive risk management strategies.
- f) Embedding risk management principles into the City's policies, procedures, and systems to ensure a consistent and comprehensive approach.
- g) Ability to make informed decisions regarding management of potential negative effects of risk and take potential advantage of opportunities.

- h) Improved planning and performance management processes enabling a strong focus on core business service delivery and implementation of business improvements.
  - i) Ability to direct resources to risks of greatest significance or impact.
  - j) Improvement in culture of the organisation enhancing staff capacity to understand their role in contributing to the achievement of objectives.
  - k) Greater organisational objectives.
- 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.

- Governance

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

- 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.

### **3. Influencing Strategies or Plans**

#### **Priority 4: Kalamunda Leads**

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

### **4. 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.

### **5. Relevant Legislation**

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

The Audit Risk and Improvement Committee has a key role governed by the *Local Government Act 1995* and *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 Audit 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.

<b>Version Control</b>			
<b>Relevant delegated authority</b>			
<b>Council adopted</b>	<b>12 October 2021</b>	<b>Reference</b>	<b>OCM 302/2021</b>
<b>Last review</b>	<b>June 2026</b>	<b>Reference</b>	<b>OCM 2026/81</b>
<b>Next review</b>	<b>June 2028</b>		