

## RISK MANAGEMENT

<b>Date</b>	27 March 2023
<b>Council Resolution Date</b>	27 April 2023
<b>Clause Number</b>	CCL23/99 (CSC23/13)
<b>Responsible Position</b>	Manager Corporate Governance
<b>Branch</b>	Corporate Governance
<b>Division</b>	Organisational Performance
<b>Version</b>	3.0
<b>TRIM Reference Number</b>	ED23/87380
<b>Review Period</b>	2 years
<b>Review Date</b>	March 2025
<b>Consultation</b>	Staff have consulted with a risk management consultant and Executive Leadership Team in the review of this policy

Document Revision History	
Description	Date
Adopted by former Dubbo City Council	June 2015
Review facilitated by Echelon following merger of former Dubbo City and Wellington councils	December 2016
Review considered by Executive Leadership Team	August 2017
Adopted by Council	January 2023
Recommendations for review by Executive Leadership Team	4 April 2023
Provided to ARMC for review	27 April 2023
Adopted by Council	
<b>Notes</b>	

# POLICY

## PURPOSE

The purpose of this Risk Management Policy is to provide direction and commitment to Risk Management principles as part of Council's management planning, decision making and the undertaking of operational activities. Dubbo Regional Council (Council) recognises that risk management is fundamental to the organisation achieving its strategic and operational objectives and that it plays an integral role in day-to-day management and decision making at all levels.

## BACKGROUND AND RELATED LEGISLATION

Council is required under the *Local Government Act 1993* to have effective risk management practices. Council is committed to the effective management of risks and ensuring that sufficient resources are available to achieve this. Those allocated responsibility for managing risks, or being accountable for critical controls, must ensure appropriate monitoring and reporting occurs through Council's existing management reporting and governance framework.

The Policy and the associated Framework are aligned with AS/NZS ISO 31000 2018.

## SCOPE

This policy applies throughout the organisation to be followed by staff, consultants and contractors.

## CLASSIFICATION OF RISKS

- 1. STRATEGIC RISK** - Strategic Risks are defined in the context of Council as risks where the causes/contributing factors are outside the control of Council, but, if they were to occur, they may be serious enough to require a revision of Council's Strategic plan and/or Council's Strategic Community Plan.
- 2. ENTERPRISE (OPERATIONAL RISK)** - Enterprise (Operational) Risks are those where the causes are either inside or outside the control of Council, but, if they occur, they will impact on the achievement of Council's current Strategic Plan and/or Council's Strategic Community Plan.
- 3. PROJECT RISK** - The management of risk in projects requires a unique approach given the significant difference in context. The assessment of project risk requires consideration of schedule, cost and performance within the context of the project so utilising the corporate risk context (e.g. Consequence Matrix) is not appropriate.

## AREAS OF FOCUS

As this Risk Management Policy covers all aspects of risk management within Council, the following paragraphs highlight specific areas of focus for the Risk Management Program.

- 1. SAFETY** - Safety has, and always will be, the number one priority for Council. Reducing workplace incidents within Council and incidents that may impact the safety of the

community must be front of mind in the planning and conduct of all Council activities and services.

2. **FRAUD** - Council will make every effort to implement systems, procedures, and processes that prevent fraudulent and/or corrupt behaviour to the extent possible. Noting, however, that not all fraud and/or corruption can be prevented, Council will place a significant emphasis on detecting any instances of fraudulent/corrupt behaviour. Council will take the appropriate actions to highlight Council's zero tolerance for fraudulent and/or corrupt behaviours.
3. **INFORMATION AND PHYSICAL SECURITY** - The security of Council's information and physical assets is critical. Any unauthorised use of and/or loss of Council's information resources could have a significant impact on Council's reputation and may impact operations.
4. **COMPLIANCE** - Like all organisations, Council is required to comply with a significant number of Legislation, codes of practice, regulations, and policies. Any non-compliance with these requirements can have a significant impact on Council and may lead to fines against Council and/or prosecutions against individuals. It is critical, therefore, that Council maintains a significant focus on maintaining compliance through the management of risks that could lead to adverse compliance outcomes.
5. **DISRUPTION RELATED RISKS (BUSINESS CONTINUITY)** - There are critical business functions within Council that, if they were to be disrupted, would have a significant impact on the reputation of Council and, in some cases, may impact on the health and safety of staff and the community.
6. **ENVIRONMENT** - The climate and environment are changing and, as such, Council needs to adapt. A significant area of focus for Council, therefore, is ensuring that the Dubbo Regional Council is prepared for any of the ensuing results of the changing climate. In addition, it is critical that Council safeguards the environment from the actions of third parties, as well as ensuring that Council operations do not damage the environmental, cultural, heritage and/or Indigenous values within the LGA.
7. **PROJECT/PROCUREMENT RISKS** - Council spends a significant portion of its budget on projects and procurement activities. These projects are often the source of significant risk which, if not managed, can result in additional expenditure, time delays and/or projects being delivered that are not fit for purpose.

#### **ROLE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

1. Monitor the implementation of Council's Enterprise Risk Management Plan and make recommendations for the continuous improvement of the Plan.
2. Ongoing review of Council's strategic and significant operational risks to ensure appropriate risk treatment/controls have been implemented and maintain effectiveness.
3. Make recommendations to Council, and provide advice on issues related to Council's Enterprise Risk Management Program's implementation, compliance and performance.