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|  | LG534 Risk Management |
| Key Focus Area Leadership and Governance | Relevant Council Delegation Nil |

Purpose

The purpose of this policy is to articulate Council’s commitment to:

1. Identifying potential risks before they occur so that impacts can be minimised and opportunities realised.
2. Ensuring that the Town of Claremont (the Town) achieves its strategic and corporate objectives efficiently and effectively whilst following and upholding good corporate governance principles.

Definitions

Risk is defined as the “effect of uncertainty on objectives”.

Note 1: An effect is a deviation from the expected – positive or negative.

Note 2: Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).

Risk Management is defined as “co-ordinated activities to direct and control an organisation with regard to risk”.

Risk Management Framework is defined as “set of components that provide the foundations and organisational arrangements for designing, implementing, reviewing and continually improving risk management throughout the organisation”.

Risk Management Process is defined as “Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk”.

Policy

The Town has quantified its broad risk appetite through the Town’s Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Framework.

All organisational risks are to be assessed according to the Town’s Risk Assessment and Acceptance Criteria to allow consistency and informed decision making.

For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

Risk management functions will be resourced to match the size and scale of the Town's operations and will form part of the Strategic, Operational, and Project responsibilities and be incorporated within the Town's Integrated Planning Framework.

The Town will strive to achieve the best practices it can, in the management of all risks that may affect the Town meeting its objectives. Risk management functions will be embedded risk management activities across the Town's operations.

The Town will implement regular risk review and periodic reporting to the CEO and Audit and Risk Management Committee.

| Document Control Box | | | |
|--------------------------|-------------------------------------------------------------------------------------------|------------------|---------------------------|
| Business Unit: | Governance and Compliance | | |
| Legislation: | <i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i> | | |
| Organisational: | AS/NZS ISO 31000:2018 Risk Management Framework (Internal) Risk Register (Internal) | | |
| Review Frequency: | Annual | Next Due: | 2024 |
| Version # | Decision: | OCM Date: | Resolution Number: |
| 1. | Adopted | 16 February 2021 | 020/21 |
| 2. | Modified | 8 February 2022 | 006/22 |
| 3. | Reviewed | 25 July 2023 | 094/23 |