District Council of
Loxton Waikerie

RISK MANAGEMENT POLICY

Responsible Officer/s	WHS & Risk Officer Director Commercial and Community Services
Relevant Legislation / Documents	Local Government Act 1999 Work Health Safety Act 2012 Civil Liabilities Act 1936 State Records Act 1997 AS ISO 31000:2018 Risk management – Guidelines SA HB:436.1:2020 Risk Management Guidelines – companion to AS ISO 31000:2018, Part 1: Boards and executives District Council of Loxton Waikerie Risk Management Framework Risk Appetite Statements LGAMLS Scheme Rules (gazetted July 2020) Other Policy/Procedure
Adopted	18 August 2000
Reviewed	May 2025
Next Review	May 2027

1. Purpose

1.1 The District Council of Loxton Waikerie ("Council") recognizes that effective risk management policies, systems and processes will inform decision making, resource allocation and risk mitigation, which in turn will support successful achievement of its vision and strategic objectives.

1.2 The purpose of the Risk Management Policy (the Policy) is to enable an integrated and systematic approach to risk management by:

- Articulating the Council's commitment to core risk management principles;
- Supporting the implementation and maintenance of a Risk Management Framework ("the Framework") that comprises the tools and processes that underpin the organisation's risk management approach; and
- Reviewing and evaluating the effectiveness of the Council's policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.

2. Policy Statement

2.1 The management of risk will be integrated into governance and leadership structures, including decision-making at all levels.

2.2 Council is committed to developing and maintaining structured and comprehensive risk management systems and processes that are dynamic and based on best available information.

2.3 Engagement with Council employees and stakeholders is integral to the success of risk management processes and, as such, structures to facilitate consultation and communication will be developed and maintained.

2.4 Council is monitor and review its strategic, financial, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

3. Performance Measures

The performance of the risk management program will be measured through the following performance indicators:

a) Number of strategic objectives achieved, (as a percentage of total)

b) Year on year reduction in strategic risks rated “extreme” and “high”

c) Percentage of strategic risks within risk appetite

d) Number of Elected Members and employees trained in risk management, (as a percentage of total)

e) Tangible improvement in risk maturity modelling

f) Percentage achievement of risk profiling action plan actions.

4. Legislative requirement and policy context

4.1 Section 48 of the Local government Act 1999 (‘LG Act’) requires councils to identify risks associated with a project and take steps to manage, reduce or eliminate those risks, (including by provision of periodic reports to the CEO and to the Council.)

4.2 Section 99(1)(ia) of the LG Act requires the CEO to ensure that effective policies, systems and processes are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.

4.3 Section 125 of the LG Act requires Council to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.

4.4 Section 125A requires the person primarily responsible for the internal audit function to ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee and may report any matters relating to the internal audit function directly to the audit and risk committee.

4.5 Section 126 (4)(g) requires the council audit and risk committee to provide oversight of planning and scoping of the internal audit work plan and to review and comment on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis.

4.6 Section 126 (4)(g) requires the council audit and risk committee to review and comment on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures;

4.7 Section 126/126A(4)(h) requires the council/regional audit and risk committee to review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.

4.8 Section 132A of the LG Act requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with the statutory requirements and achieve and maintain standards of good public administration.

4.9 Section 134(4)(b) of the LG Act requires Council to adopt risk management policies, controls and systems by a resolution passed by at least a two thirds majority of the members of elected Members prior to entering into financial arrangements for the purpose of managing, hedging or protecting against interest rates or other costs of borrowing money.

4.10 As a member of the Local Government Association Mutual Liability Scheme, the Council is bound by the Scheme Rules, which include an obligation to ensure that adequate risk management and prevention strategies are put in place so as to absolutely minimise the risk of any incident, circumstance or matter that may give rise to a claim..

5. Definitions

Definitions are outlined with the Framework

6. Roles and responsibilities

6.1 Council

The Council is responsible for:

a) Setting the organisation's risk appetite and policy for managing risk;

b) Giving adequate consideration to risks when setting objectives and making decisions;

c) Fostering a culture that is consistent with the organisation's appetite for risk;

d) Ensuring the organisation has the structures and processes in place to support decision making and management of risk;

e) Setting an appropriate governance structure for risk and risk management including Audit and Risk Committee and delegations;

f) Requiring the CEO to demonstrate that the framework for managing risk is effective and appropriate;

g) Requiring the CEO to provide information to allow the Council to understand the risk that may have material impacts on achievement of the organisation's objectives; and

h) Considering recommendations from the Audit and Risk Committee relating to strategic, financial and operational risks or any other risk matter.

6.2 Audit and Risk Committee

The Audit and Risk Committee is responsible for:

a) Reviewing and recommending endorsement of the criteria contained within the Risk Management Framework;

b) Monitoring Council's responsiveness to recommendations for improvement based on previous audit and risk assessments, including those raised by Council's auditor;

c) Providing oversight of the planning and scoping of the internal audit work plan and reviewing internal audit reports on at least a quarterly basis.

d) Reviewing the annual report from the Chief Executive Officer in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures;

e) Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and

f) Monitoring strategic risks on a quarterly basis.

6.3 Chief Executive Officer (CEO)

The CEO has the responsibility for:

a) Promoting a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk;

b) Reviewing and endorsing the Risk Management Framework;

c) Ensuring that effective policies, systems and processes are established and maintained for the identification, assessments, monitoring, management and annual review of strategic, financial and operational risk and providing a report to the audit and risk committee on a regular basis.

d) Allocating and upholding accountability for managing risk;

e) Ensuring the Senior Management Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;

f) Regularly reviewing strategic, financial and operational risks and maintaining an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls;

g) Ensuring compliance with legislative and contractual obligations and policy requirements;

h) Providing reliable information about risks, controls and their effectiveness to the Council;

i) Reporting annually to the audit and risk committee on the internal audit processes; and

j) Escalating all strategic risks that exceed the organisation's risk appetite to the Audit and Risk Committee or council as required.

6.4 Senior Management Team

Members of the Senior Management Team are responsible for:

a) Commitment to, and promotion of, this Policy and the Framework;

b) Monitoring the organisation's overall risk profile and mitigation strategies;

c) Ensuring that risk management is embedded into all functions ad activities, including decision making;

d) Ensuring that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register, (including follow up and close out of overdue risk treatments);

e) Incorporating risk treatments into departmental/divisional/business unit plans;

f) Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to actively be involved in managing risk;

g) Providing incentives and performance management arrangements that support the desired approach to managing risk;

h) Promoting a proactive risk culture in accordance with business management initiatives;

i) Collectively reviewing strategic risks and considering emerging risk, (prior to Audit and Risk Committee meetings); and

j) Ensuring compliance with legislative and contractual obligations and policy requirements.

6.5 WHS and Risk Officer

WHS and Risk Officer is responsible for:

a) Providing guidance and assistance to the Senior Management Team and employees in relation to the application of the Framework;

b) Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the Senior Management Team or cascaded to workers, as relevant;

c) Maintaining this Risk Management Policy and the Framework to ensure their currency and relevance; and

d) Maintaining the Risk Register and reporting timeframes as required.

6.6 Employees, Volunteers and Contractors (Workers):

All Council Workers are responsible for:

a) Understanding the risk management processes that apply to their area of work; and

b) Identifying, evaluating, reporting and managing, (or escalating,) risks relating to daily activities and projects.

7. Review

This policy will be reviewed every 2 years, or more frequently if legislation, relevant standards or organisational needs change.

8. Availability of the Policy

This Policy will be available on the Councils website with hard copies supplied on request.

9. Document history and version control

Date	Version	Authorisation: Council/ Committee/ Senior Management Team	Amendment details:
18/08/2000	1.0	Council meeting of 18 August 2000	First version
19/05/2006	1.1	Council meeting of 19 May 2006	Noted updated reference to the ASO standard
16/05/2008	1.1	Council meeting of 16 May 2008	No change noted
21/08/2009	1.1	Council meeting of 21 August 2009	No change noted
16/03/2012	1.2	Council meeting of 16 March 2012	Noted updated reference to the ASO standard
16/08/2013	1.2	Council meeting of 16 August 2013	No change noted
18/03/2016	1.2	Council meeting of 18 March 2016	No change noted
17/11/2017	1.3	Council meeting of 17 November 2017	Extension to the review period to that of 3 years (Policy and Procedure Framework) and the addition of document history and version control protocols and notation of staff as 'workers'
1/11/2020	4.1		Document updated to reflect the LGAMLS template and AS ISO 31000:2018 Added: Policy Statement, Performance Measures, Legislative Requirements, Roles and Responsibilities: Council, Audit Committee, Senior Management Team, CEO and WHS & Risk Coordinator.
May 2024	5.0		Addition of State Records Act, removed reference to "Council", inclusion of measurable performance measures, addition of Scheme rules reference at 4.5, alignment of roles and responsibilities with Framework, addition of drafting notes, formatting
May 2025	5.1	Endorsed at May 2025 Council Meeting	Incorporation of LG Act amendments (s99, s125, s126, s126A)