Item 7: Office of the General Manager

7.1 Enterprise Risk Management Framework

REPORT BY THE EXECUTIVE MANAGER, HUMAN RESOURCES
TO 17 JUNE 2020 ORDINARY MEETING
GOV400087, GOV400087

RECOMMENDATION

That Council:

1. receive the report by the Executive Manager, Human Resources on the Enterprise Risk Management Framework; and

2. adopt the Enterprise Risk Management Framework.

Executive summary

Council engaged Crowe Horwath to assist Council to build a sustainable Enterprise Risk Management (ERM) Framework.

This Framework provides a basis for managing uncertainty through a structured and consistent approach. This approach enables risk-informed decision making aligned with Councils strategic, operational and project objectives. The Enterprise Risk Management Framework integrates the processes for managing risks and control into Councils governance, strategy and planning, performance improvement, reporting process, policies, values and culture and it considers the internal and external context in which Council operates.

This framework will replace Council’s outdated Risk Management Policy 2013 (attached).

Disclosure of Interest

Nil

Detailed report

Council’s Enterprise Risk Management Framework consists of:

**Enterprise Risk Management Policy** – to outline policy principles and commitment.

**Enterprise Risk Management Guideline and supporting tools** – designed to be read in conjunction with the Enterprise Risk Management Policy. The guidelines and tools are there to guide and assist Councillors and staff to better understand the principles of Enterprise Risk Management and to adopt consistent processes for managing risks.

**Risk Register** – Strategic, operational and project risk registers to assess risk, monitor controls and develop treatment plans.
Governance and Risk Executive Committee – responsible for oversight of Enterprise Risk Management across the Council.

The purpose of the Enterprise Risk Management Framework is to support a consistent, effective and structured approach to managing risk and to support Council to achieve its objective and embed Enterprise Risk Management in strategic and operational processes. This in turn will support staff in understanding the implications of risk and Enterprise Risk Management opportunities and support Councillors and staff making informed decisions based on suitable risk assessments and risk criteria. In addition, it will aid Council in applying Enterprise Risk Management in their day to day work.

Community Plan implications

<table>
<thead>
<tr>
<th>Theme</th>
<th>Good Governance</th>
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<tbody>
<tr>
<td>Goal</td>
<td>An effective and efficient organisation</td>
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<tr>
<td>Strategy</td>
<td>Prudently manage risks association with all Council activities</td>
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Strategic implications

**Council Strategies**
The Enterprise Risk Management Framework is supported by Council’s Community Plan and Delivery Program that includes strategies to ensure that Council is pursuing excellence in service delivery; prudently managing risks associated with all Council activities and pursuing efficiencies and ongoing business improvement.

The recommendation satisfies the Delivery Program 2017 – 2021 and Operational Plan 2019 – 2020 action to *Develop an enterprise risk management (ERM) framework relevant to Council’s activities.*

**Council Policies**
- Risk Management Policy

**Legislation**
- Local Government Act

Financial implications

Any resourcing requirements to support the framework has been included in the draft Operational Plan.

Associated Risks

If Council does not have a current and robust risk management framework there is an increased likelihood that Council will not be able to deliver its objectives, impacting Council’s service delivery, finances, reputation, staff welfare and negatively impacting the community.
MICHELE GEORGE
EXECUTIVE MANAGER, HUMAN RESOURCES

2 June 2020

2. ERM Framework 2020. (separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER