

1 Objective

The City of Swan ("the City") is committed to organisation-wide risk management principles, systems and processes that deliver consistent, efficient and effective assessment of risks in planning, decision-making and operational processes.

This policy is to be read in conjunction with the City of Swan Risk Management Framework.

2 Definition

Australian / New Zealand International Standard for Risk Management – Principles and guidelines (AS/NZS ISO 31000:2009) define risk as “the effect of uncertainty on objectives.”

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative, or a deviation from the expected. An objective may be strategic, community based, financial, related to health and safety, or defined in other terms.

3 Policy Statement

The City is committed to the principles, framework and process of managing risk as outlined in *AS/NZS ISO 31000:2009*.

The City will adopt the Framework provided in *AS/NZS ISO 31000:2009* to the management of risk associated throughout the life of any process, activity, asset, operation or project of the City.

The Framework sets out a structure for managing risks to ensure that the City:

- a) Has incorporated risk management into the corporate governance system and management structure;
- b) Has identified and applied appropriate strategies to manage significant risks, including alignment of risk management and the internal audit process; and
- c) Has developed effective and efficient risk management processes.

These objectives will be achieved by:

- a) Continually and systematically understanding the risks to the City as it pursues its strategic and operational objectives;
- b) Developing a culture of risk awareness at all levels of the Organisation;
- c) Developing and maintaining the appropriate tools for the management of risk; and
- d) Ensuring robust, continuous, logical and systematic processes are implemented.

3.1 Responsibilities

3.1.1 Council

- a) Is committed to the concept of resourcing risk management.
- b) Appoints a dedicated committee (Audit Committee) to oversee the risk management process and the strategic risks facing the City.

3.1.2 Audit Committee

- a) Reviews and approves the scope of the internal audit plan and program as well as assesses the effectiveness of the function.
- b) Reviews whether the internal audit plan systematically addresses internal controls over significant areas of risk, including non-financial risks.
- c) Critically analyses and follows up any internal or external audit report that raises significant issues relating to risk management and reviews actions taken as a result of the issues raised.
- d) Monitors the risk exposure of the City by reviewing risk management processes and management information systems.

3.1.3 Executive

- a) Ensures that risk management is embedded in the operations and processes of the organisation.
- b) Identifies and controls strategic risks facing the City.
- c) Monitors the organisation's strategic and operational risk management performance.

3.1.4 Employees

- a) All employees, after appropriate training, will adopt the principles of risk management and comply with all policies, processes and practices relating to risk management.
- b) All employees will alert management to the risks that exist within their area.
- c) All employees will, as required, conduct risk assessments commensurate with the scope of the task and the associated level of risk identified.

4 Internal Audit relationship with Risk Management

The City will facilitate an Internal Audit function by providing resources required to effectively review the City's risks, internal controls (for both efficiency and effectiveness), governance, performance and compliance.

All internal audit activities will remain free of undue influence. This will include scope of audit programs, the frequency and timing of examinations and the content of internal audit reports.

The internal audit process is to provide independent advice and assurance to Council and management that the policies, operations, systems and procedures designed to mitigate the risks associated with the operations and management of the City:

- a) Comply with relevant legislation and standards (compliance);
- b) Are carried out with optimum use of resources (economy and efficiency);
- c) Achieve the objectives specified in Strategic and Operational Plans (effectiveness);
- d) Pro-actively reduces the Council's risk exposure; and
- e) Promotes a culture of continuous improvement practices across Council.

5 Performance Measurement

The Management Team, the Risk Management function and Internal Audit shall measure the effectiveness of the Risk Management Framework in assisting the City to achieve its strategic objective.

Key measurement areas are:

- a) Audit ratings;
- b) Implementation of audit findings;
- c) Achievement of risk control improvement;
- d) Success of projects, events and major organisational change; and
- e) Changes in risk ratings; and
- f) Level of risk reduction.

Governance References

Statutory Compliance	Nil.
Industry Compliance	AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines
Organisational Compliance	Risk Management Framework City of Swan Strategic Community Plan 2012-2022 KRA: Governance G2.1 Improve capability and capacity
Decision Maker	Council
Process Links	Risk Management Process

Policy Administration

Business Unit Name	Officer Title	Contact:
Governance	Manager, Governance	9267 9267
Risk Complexity Classification	3	Review Frequency 2018

Version	Decision Reference	Synopsis
1.	OCM 18/12/02	New Policy adopted.
2.	OCM 05/09/07-Pt.B-1.1	Policy Revision to align with new corporate approach.
3.	OCM 24/02/10	Policy revised to reflect change of ISO standard.
4.	Executive 29/11/12 Governance 30/04/13 OCM 22/05/13	Endorsed the policy review and proposed amendments. Endorsed the policy review and proposed amendments. Endorsed the policy review and proposed amendments.
5.	Executive - 31/07/2014 Governance - 26/08/2014 OCM - 10/09/2014	Endorsed review of policy. Endorsed review of policy. Adopted reviewed policy.
6.	Executive - 28/01/16 Governance - 16/02/16 Audit - 23/02/16 OCM - 02/03/16	Endorsed the policy review and proposed amendments. Endorsed the policy review and proposed amendments. Endorsed the policy review and proposed amendments. Adopted the amended policy.
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