



**Light  
Regional  
Council**

## **Risk Management Policy**

<b>Reference Number:</b>	Section 6 No. 26
<b>Responsible Department:</b>	Governance
<b>Related Policy/Procedure:</b>	Risk Management Framework
<b>Date of Adoption:</b>	16 January 2001
<b>Current Review Date:</b>	23 June 2023
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<b>Version Number:</b>	Amendment 5
<b>Applicable Legislation:</b>	<i>Local Government Act 1999</i>
<b>Next Review Date:</b>	June 2025
<b>Review Frequency:</b>	Biennially

### **1. Purpose**

- 1.1. Light Regional Council recognises that effective management of risk 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 Light Regional 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.

### **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 Light Regional Council is committed to developing and maintaining structured and comprehensive risk management processes that are dynamic and based on best available information.
- 2.3 Engagement with Light Regional 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 Light Regional Council will monitor and review its strategic, 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) Allow for the identification of emerging risks;
- b) Year on year reduction in strategic risks rated "extreme" and "high";
- c) Identify any (new) activities that may influence established strategies to mitigate risks; and
- d) Percentage achievement of risk evaluation 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 125 of the LG Act requires Light Regional Council to ensure that appropriate policies, practices, and procedures of internal control are implemented and maintained in order

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to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.

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

4.4 Section 134(4) (b) of the LG Act requires Light Regional 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.

4.5 As a member of the Local Government Association Mutual Liability Scheme, Light Regional 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 within 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 risks 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 risks or any other risk matter.

### 6.2 Audit and Risk Committee

The Audit and Risk Committee is responsible for:

- a) Reviewing reports from the General Management Group and auditors to ascertain the adequacy of controls that have been implemented; and
- b) Monitoring strategic risks on a regular 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) Developing and implementing a framework that delivers a consistent approach to risk management by allocating resources and assigning authority, responsibility, and accountability at appropriate levels within the organisation;
- d) Allocating and upholding accountability for managing risk;

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- e) Ensuring the General Management Group have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;
- f) Regularly reviewing strategic 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; and
- i) Escalating all strategic risks that exceed the organisation's risk appetite to the Audit and Risk Committee or Council, as required

#### 6.4 General Management Group

Members of the General Management Group 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 and 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/team plans;
- f) Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively 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 risks, (prior to Audit and Risk Committee);
- j) Ensuring compliance with legislative and contractual obligations and policy requirements; and
- k) Reviewing and endorsing the criteria contained within the Risk Management Framework.

#### 6.5 Payroll and Risk Coordinator

The Payroll and Risk Coordinator is responsible for:

- a) Providing guidance and assistance to the General Management Group and employees in relation to the application of this framework;
- b) Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the General Management Group or cascaded to employees, 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 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 Legislation

Local Government Act 1999  
 Work Health and Safety Act 2012 SA  
 Civil Liabilities Act 1936  
 State Records Act 1997

### 8 Related Documents

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Light Regional Council Risk Management Framework  
AS/NZS ISO31000:2018 Risk Management – Principles and Guidelines  
LGAMLS Scheme Rules as gazetted July 2020.

## 9 Review

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

## 10 Availability

10.1 This Policy will be available on the Light Regional Council's website with hard copies supplied on request.

10.2 The Framework is available to all employees via the intranet. The Framework is available to all employees via the intranet.

Approved: .....

Date: .....

## Review history

Version	Issue Date	Description of Change
1.0	Jan 2001	Original document adopted by Council 16 January 2001, Minute Reference 16.2.3, Page 2001/14.
2.0	May 2014	Amendment No. 1 was approved (after staff consultation process) by General Manager on 27 May 2014. Update to language and titles.