

# RISK MANAGEMENT

## COUNCIL POLICY

### PURPOSE

The purpose of this policy is to outline the framework for risk management, including embedding it into the culture and work practices of City of Palmerston (Council) to improve decision-making, maximise opportunities and manage uncertainty.

### PRINCIPLES

Council recognises that risk management is an integral part of good governance practice and is committed to integrating effective risk management into all its activities to ensure that any impacts to strategic and business objectives are considered and analysed.

Council will:

- adopt a systematic approach to risk management, including identifying, assessing and treating risks
- clearly articulate risk appetite and tolerance of risk
- clearly define risk management responsibilities
- support a culture where risk is managed and communicated across all levels of the organisation
- integrate risk management into decision-making activities
- manage risks through controls that align with the risk appetite
- maintain an appropriate level of risk management capability, including staffing and resources
- provide staff with the relevant policies, procedures and tools necessary to manage risks
- periodically review controls and the risk management approach.

### DEFINITIONS

For the purposes of this Policy, the following definitions apply:

TERM	DEFINITION
Elected Member	Individuals elected to Council. For the purposes of this policy Elected Member refers to Mayor, Deputy Mayor and Councillor.
Risk	The effect of uncertainty on achieving Council's objectives.

TERM	DEFINITION
Risk Management	A set of coordinated activities to direct and control Council's approach to risk.
Risk Appetite	The maximum level of risk that Council is willing to accept to achieve its objectives.

## POLICY STATEMENT

### 1. Risk Management Framework

- 1.1. The Risk Management Framework is a key component of Council's governance arrangements and is the structure upon which the risks, opportunities and other information that may impact upon the achievement of Council's goals and strategies can be identified and managed.
- 1.2. Through the Risk Management Framework, risk management practices can be applied consistently across the organisation, which enables Council to confidently make decisions that are timely, informed and recognise the factors that may impact upon the success of the Community Plan.
- 1.3. Council's risk management framework includes the following key elements:
  - 1.3.1. Risk Appetite Statement
  - 1.3.2. Risk Management Policy
  - 1.3.3. Strategic Risk Register
  - 1.3.4. Risk Management Plan
  - 1.3.5. Operational Risk Register
  - 1.3.6. Policies and procedures related to risk management.

### 2. Objectives

- 2.1. The key purpose of managing risks is to help Council achieve the goals and objectives outlined in the Community Plan.
- 2.2. Council's approach to risk management is designed to:
  - 2.2.1. Support Elected Members and staff to confidently make informed decisions based on organisational policy, values and appetite.
  - 2.2.2. Assist Council to achieve organisational objectives through the systematic and timely identification and management of risks and exploitation of strategic opportunities.
  - 2.2.3. Consistently manage the effects of uncertainty through the application of robust risk management practices.
  - 2.2.4. Promote compliance with relevant obligations.
  - 2.2.5. Target effort and resources to the areas of highest priority.
- 2.3. Application of the Risk Management Framework assists Council to:
  - 2.3.1. Achieve its goals and the Community Plan priorities and actions.
  - 2.3.2. Protect the safety of people, assets, finances and Council reputation.
  - 2.3.3. Take risks in accordance with approved policies and organisational values.

- 2.3.4. Adopt risk treatment activities that are fit for purpose, cost effective and designed to reduce risk to an acceptable level.
- 2.3.5. Embed a culture that promotes awareness and accountability for risk, so it becomes a normal way that business is done at Council.

### 3. Responsibilities

- 3.1. Council is responsible for:
  - 3.1.1. Overseeing the systematic approach to managing risk across Council operations.
  - 3.1.2. The Risk Appetite Statement.
  - 3.1.3. Appointment of the Risk Management and Audit Committee.
- 3.2. The Chief Executive Officer is responsible for ensuring that:
  - 3.2.1. A framework is established and implemented.
  - 3.2.2. Risk management is integrated into Council's activities and functions.
- 3.3. The Risk Management and Audit Committee is responsible for:
  - 3.3.1. Monitoring and evaluating appropriate internal control and risk management policies and systems to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.
  - 3.3.2. Ensuring adherence to management policies to safeguard the Council's assets, and to secure (as far as possible) the accuracy and reliability of Council records.
- 3.4. All Council staff are responsible for:
  - 3.4.1. Identifying, evaluating and managing risks in their daily activities and projects.
  - 3.4.2. Adhering to the requirements of Council's Risk Management Framework.

## ASSOCIATED DOCUMENTS

- Risk Management and Audit Committee Terms of Reference

## REFERENCES AND RELATED LEGISLATION

- Local Government Act 2019 (NT)
- Local Government (General) Regulations 2021

Council has developed a risk management framework consistent with Australian Risk Management Standard (AS ISO 31000:2018 Risk Management) to assist to identify, treat, monitor and review risks to its operations and strategic objectives and apply appropriate internal controls.

## POLICY DETAILS

OWNER	CEO	RESPONSIBLE OFFICER	General Manager Finance & Governance
APPROVAL DATE	17 June 2025	NEXT REVIEW DUE	Once per Term
RECORDS NUMBER	628888	COUNCIL DECISION	10/1939