PENRITH CITY COUNCIL

Policy Document

POLICY NAME

Enterprise Risk Management Framework

REVIEW DATE

30 June 2026

POLICY TYPE

Council

RELATED DOCUMENTS

Click or tap here to enter text.

DATE ADOPTED

12 November 2018

COUNCIL MINUTE NUMBER

PRC 59

RESPONSIBLE DEPARTMENT

Legal and Governance

Purpose

The purpose of this Risk Management Policy is to communicate Council's approach for managing its enterprise-wide risks, and establishing clear roles and responsibility for its management and staff.

Policy statement

Council acknowledges that the application of risk management thinking, principles and practices in the form of an Enterprise Risk Management Framework, will help to reduce risks and uncertainties around the achievement of business objectives. In doing so, it will improve decision-making, assist in setting priorities for competing demands and resources, minimise the impact of adversity and loss, ensure regulatory compliance and, most importantly, assist in the delivery of high quality services to the community.

Scope

This Policy applies to all councillors, management, staff, contractors, consultants and volunteers across all Council activities and processes.

Enterprise Risk Management Framework

Risk Management Policy 2021

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1. INTRODUCTION

Risk is defined as the chance of something happening that will have an impact on organisational objectives. It arises due to uncertainty about the future and if left unmanaged can result in serious consequences for Council. Council acknowledges that the application of risk management thinking, principles, and practices, in the form of an Enterprise Risk Management Framework, will help to reduce risks and uncertainties around the achievement of business objectives. In doing so, it will improve decision-making, assist in setting priorities for competing demands and resources, minimise the impact of adversity and loss, promote regulatory compliance and, most importantly, assist in the delivery of high-quality services to the community.

2. PURPOSE

The purpose of this Risk Management Policy is to communicate Council's approach for managing its enterprise-wide risks and establishing clear roles and responsibilities for its management and staff.

3. SCOPE

This Policy applies to all councillors, management, staff, contractors, consultants and volunteers across all Council activities and processes.

4. LEGISLATIVE REQUIREMENTS & APPLICABLE STANDARDS

Local Government Act 1993
Local Government Amendment (Governance and Planning) Act 2016
ISO 31000:20018 Risk Management

5. COUNCIL COMMITMENT

Council is committed to a formal, systematic, structured, and proactive approach for the management of its enterprise-wide risks, in a manner consistent with International Standard ISO 31000:2018 Risk Management, ensuring:

- integration into Council's planning and decision-making processes;
- consistency of approach across the entire organisation;
- clearly defined roles, responsibilities and levels of authority for risk management;
- training to enable staff to undertake their risk management responsibilities;
- adequate resources are allocated to support the Enterprise Risk Management Framework, with a clear connection between risks, strategies, and budgets; and
- clear and concise communication with stakeholders in relation to risk management.

6. POLICY STATEMENTS

Council will ensure:

- A comprehensive and relevant Enterprise Risk Management Framework is in place.
- Council's risk appetite and risk tolerances are defined and communicated to guide managers and staff in their decision-making.
- Managers lead, actively participate, and have oversight over all aspects of risk management within their area.
- Managers identify risks which threaten the achievement of their area's business objectives (operational risks).
- Identified risks are recorded, assessed, and treated (if necessary) in accordance with the Enterprise Risk Management Framework.
- Operational risks are recorded in registers which are reviewed periodically by managers, directors and other relevant forums, in accordance with the Enterprise Risk Management Framework.

- Strategic risks (which threaten the achievement of Council's strategic objectives) are managed similarly by the Leadership Team.
- The highest rated risks are given priority and where necessary sufficient resources are allocated to the treatment of these risks.
- Directors, managers and other relevant staff are provided with risk management training.
- Day to day conversations about risk implications are encouraged as a way of embedding the Enterprise Risk Management Framework throughout Council.
- Opportunities for improvement resulting from risk analysis will be seized upon and promoted.
- The Enterprise Risk Management Framework is integrated with the internal audit activities of Council so that the Leadership Team is provided with assurance over the operation of internal controls designed to mitigate risks.

The implementation of this policy, encapsulated in the above statements, will contribute to the achievement of Council's objectives by reducing risk/uncertainty.

7. ROLES AND RESPONSIBILITIES

- The **Councillors** are responsible for the adoption of this Policy, thereby committing Council to the principles and practices of good Enterprise Risk Management. They may be asked to adopt other key documents from time to time.
- The **General Manager** is accountable for leading the ongoing application of the Enterprise Risk Management Framework at all levels of the organisation. This will primarily be done through engaging with key stakeholders (management, councillors, partners, community, etc.) to promote the principles of good risk management.
- The **Leadership Team** is responsible for oversight of the management of operational risks within their respective portfolios and setting and periodically reviewing the organisation's risk appetite and tolerances.
- The **Leadership Team** is responsible for the management of Council's strategic risks.
- The **Chief Governance Officer** and **Legal Services Manager** are key advocates of the Enterprise Risk Management Framework, as they are the line management of Council's Risk & Audit function, and responsible for securing sufficient resources to enable the function to operate to the expected standard.
- **Managers (i.e., risk owners)** are responsible for the effective management of operational risks within their areas of responsibility in accordance with the Enterprise Risk Management Framework, ensuring that current risk registers are in place for their areas, risk treatment plans are implemented for any risks which are not within risk appetite and/or tolerance, and that directors are kept informed of all significant risks.
- The **Risk & Audit Coordinator** is responsible for the ongoing development and implementation of the ERM Framework and ensuring that risk management principles and practices are applied consistently across the organisation. Other key responsibilities include the provision of risk management advice and the facilitation of risk workshops.
- The **Audit, Risk & Improvement Committee (ARIC)** is responsible for endorsement and oversight of the Enterprise Risk Management Framework, and the provision of advice and support in relation to the management of significant risks of Council, and risk management practice in general.
- **Staff, contractors, consultants, and volunteers** are responsible for familiarising themselves with Council's risk management principles and practices as they relate to their daily activities. They are also responsible for escalating any significant operational risks to their immediate people leader and/or the manager of the area.

8. REVIEW

This Risk Management Policy is reviewed two-yearly by the Risk & Audit Coordinator. It may be reviewed earlier in response to a significant event or internal/external change, e.g., organisational restructure.

9. DOCUMENT CONTROL

Version	Change from Previous	Date	Author
1.0	Initial development	June 2016	Kaye-Anne Goodshaw, Insurance Officer
2.0	Revised following Risk Register Project	June 2017	Anthony Robinson, Risk & Audit Coordinator
3.0	Approved by CLT	August 2017	
4.0	Reviewed by the ARIC (amendment requested)	December 2017	Anthony Robinson, Risk & Audit Coordinator
5.0	Endorsed by the ARIC	June 2018	
6.0	Adopted by Council (Policy Review Committee)	November 2018	
7.0	Reviewed	February 2021	Risk & Audit Coordinator
8.0	Endorsed by the ARIC	March 2021	
9.0	Adopted by Council	April 2021	
10.	Currently under review	July 2023	Risk and Audit Coordinator
11.	comprehensive review to be conducted in June 2026 on new systems and fundamentally changing the way risk and compliance activities and conducted.	June 2025	Corporate Assurance Lead