



# **ENTERPRISE RISK MANAGEMENT POLICY P3.0194.4**

# ENTERPRISE RISK MANAGEMENT POLICY

**DIRECTORATE:** Customer and Corporate Strategy

**BRANCH:** Safety and Risk

**CATEGORY:** 1

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## 1. Purpose

- 1.1. This Policy sets out Camden Council's approach to the management of strategic, operational, and project-related risks in accordance with:
  - ISO 31000:2018 Risk management, and
  - Risk Management, and Internal Audit for local government in NSW – Guidelines (Office of Local Government, 2023).
- 1.2. It defines the responsibilities for risk management across the organisation and the objectives of Council's Risk Management System.
- 1.3. It is supported by a Risk Management Strategy, which is an evolving program of work to drive the continuous improvement of Council's risk management culture and capability.

## 2. Alignment with Community Strategic Plan

- 2.1. Council's Community Strategic Plan 2036 identifies five key directions to guide Council towards achievement of the vision for Camden to 2036 that "Camden is a connected, diverse, and thriving community, embracing opportunities of growth, while valuing our rich heritage and protecting and sharing responsibility for our natural environment".
- 2.2. The listed objectives in clause 4 are applicable to this Policy and relevant to the key direction of making risk-based, well-informed decisions to generate better outcomes that lead to the integration of long-term financial planning, safety, risk and strong governance across all Council operations.

## 3. Scope

- 3.1. This Policy applies to all Council staff and Councillors.

## 4. Objectives

- 4.1. Council is committed to ensuring that:
  - Risk management is an integral part of Council planning and decision-making processes

- There is a consistent approach to the management of risks across Council
- All staff are provided with the necessary resources and authority to fulfil their risk management responsibilities
- All staff are provided with the necessary training to manage risks according to their responsibilities
- Risk management performance is evaluated against respective responsibilities as part of performance assessments
- Undesirable risk outcomes will be analysed and treated as an opportunity for improvement.

## **5. Risk Management System**

Council's Enterprise Risk Management (ERM) system consists of:

- This Policy
- Risk Management Framework, which includes risk criteria and appetite statement
- Processes for risk management and control assurance
- Risk information and reporting system.

## **6. Roles and Responsibilities**

### **6.1. Council (Mayor/Councillors)**

The Mayor and Councillors are responsible for:

- Promoting a positive risk culture to protect Council
- Critical oversight of the effectiveness of risk management
- Reviewing and endorsing this Policy
- Reviewing and endorsing the risk criteria and appetite statement in consultation with ARIC
- Considering risks arising from Council decisions
- Considering risk management issues contained in Council reports.

### **6.2. General Manager (GM)**

Under section 335 of the *Local Government Act 1993*, the GM has ultimate responsibility and accountability for risk management in Council, which includes:

- Establishing a culture of risk awareness and an expectation that the behaviour and actions of all Council staff will provide appropriate protection for the organisation against unjustified or unacceptable risk
- Ensuring the provision of adequate resources for effective risk management

- Fulfilling the annual attestation requirements in Council's annual report.

### **6.3. Executive Leadership Group (ELG)**

ELG is responsible for:

- Promoting a positive risk culture by requiring that the behaviour and actions of Council staff in their area provide appropriate protection for Council against unjustified or unacceptable risk
- Ensuring risk levels are within Council's risk appetite or approving the acceptance of risks that are outside Council's risk appetite
- Approving and supporting the implementation of corrective actions recommended through risk management and audit functions.

### **6.4. Audit, Risk and Improvement Committee (ARIC)**

ARIC is responsible for:

- Keeping risk management under review and providing independent assurance and advice in accordance with the ARIC Terms of Reference
- Consulting with Council on its risk criteria and appetite statement.

### **6.5. Risk Owners**

Risk owners are officers who have responsibility for the function or activity that gives rise to a risk and are accountable for managing the risk. Typically, strategic risk owners will be the GM or Directors, while operational and project risk owners will be Managers.

Risk owners are responsible for:

- Identifying, assessing, managing, and monitoring risks within their areas of responsibility.
- Ensuring risk levels are within Council's risk appetite or obtaining Director approval (where appropriate) for the acceptance of risks that are outside council's risk appetite.
- Ensuring the implementation of corrective actions recommended through risk management and audit functions.
- Resolving cross-organisational risk issues and escalating risks to ELG where appropriate.

### **6.6. Manager Safety and Risk**

The Manager Safety and Risk is responsible for fulfilling the enterprise risk function, which includes:

- Providing ongoing ERM support and advice to the organisation at all levels
- Reporting on ERM performance to ELG
- Development, oversight, and ongoing maintenance of ERM strategy, procedures, framework, training and related systems, tools and documentation
- Ensuring compliance with relevant regulatory, legislative or industry risk management requirements
- Liaising at least annually with Council's internal auditor to address areas of risk to be reviewed as part of the four-year Internal Audit Plan.
- Reviewing and updating this Policy.

#### **6.7. Internal Audit**

The Internal Audit team is responsible for:

- Providing independent review and assurance on the adequacy and effectiveness of risk management practices, in accordance with the four-year Strategic Internal Audit Plan.

#### **6.8. Staff (Including Volunteers and Contractors)**

Staff are responsible for:

- Following relevant risk management procedures.
- Ensuring their behaviour and actions provide appropriate protection for the organisation against unjustified or unacceptable risk.

### **7. Reporting**

Reporting requirements are outlined in the ERM Framework, which includes reporting to:

- GM
- ELG
- ARIC, and
- Council (ARIC Strategic Risk Assessment Report).

### **8. Evaluation**

The effectiveness of this Policy will be measured by the performance measures outlined in the Enterprise Risk Management Framework.

### **9. Review**

This Policy will be reviewed every three years or more frequently as required.

## **10. Related Materials**

### **10.1. Related Legislation**

- *Local Government Act 1993*
- *Local Government (General) Regulation 2021*

### **10.2. Related Policies, Procedures and Other Guidance Material**

- Enterprise Risk Management Framework
- International Standard ISO 31000:2018 Risk Management – Guidelines
- Risk Management and Internal Audit for local government in NSW – Guidelines (Office of Local Government, 2023)
- Risk Strategy

Approval and Review	
<b>Responsible Branch</b>	Safety and Risk
<b>Responsible Manager</b>	Manager Safety and Risk
<b>Date Adopted</b>	Council – 11/03/2025
<b>Version</b>	4
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Version Control				
Version	Date Adopted	Approved By	EDMS Ref.	Description
1	12/09/2017	Council	17/305512	Initial adoption of policy.
2	02/05/2019	ELG	17/305512	Minor amendments only.
3	12/05/2022	ELG	17/305512	Minor amendments only.
4	11/03/2025	Council	17/305512	Moderate amendments to comply with the Office of Local Government's risk management guidelines.



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