

# Enterprise Risk Management

## Purpose

This policy sets out the key foundations, roles and responsibilities in relation to risk management at Riverina Water County Council (Riverina Water). It is designed to embed an advanced risk management culture.

## Policy Statement

Riverina Water has significant legislative, financial, service delivery, asset management and contractual responsibilities. It has a duty of care to board members, employees, contractors, volunteers, the community, the broader public and the environment.

Riverina Water will seek to understand and manage the strategic, operational and project risks and opportunities it faces, to enable it to make informed decisions and meet its responsibilities, council priorities and community expectations.

Riverina Water will adopt a risk management approach consistent with AS/NZS ISO 31000:2018 in our planning, approval, review and control processes.

## Scope

This policy applies to Riverina Water board members, staff, volunteers, contractors and service providers engaged to conduct authorised Riverina Water business.

## Definitions

Risk	The effect of uncertainty on objectives. Risk is measured in terms of the likelihood of an event occurring and the consequence (impact) of that event occurring
Risk appetite	The level of risk Riverina Water is prepared to accept, tolerate or be exposed to at any point in time
Enterprise risk management	The coordinated activities (culture, processes and systems) to identify, analyse, mitigate, monitor and report risks at all levels and across the organisation

### Data and document control

Controls	Measurable activities that are intended to modify the level of risk
Risk treatment	Additional activities should the level of risk remain unacceptable after controls are applied
Enterprise risk management plan	Document to specify the approach, management components and resources to be applied to the enterprise management of risk
Enterprise risk management framework	Shows the foundations for designing, implementing, monitoring, reviewing and continually improving risk management throughout Riverina Water

## Principles

It is the policy of Riverina Water to seek to achieve best practice in the management of all risks that threaten to adversely impact Riverina Water, its people, assets, function, objectives, operations or members of the public.

Risk management will form part of strategic, operational and line management responsibilities and be integrated into the strategic and business planning processes. Special risk responsibilities may be assigned to nominated officers of Riverina Water as determined by need.

Consultants may be retained from time to time to advise and assist in the risk management process, or management of specific risks or categories of risk.

Every employee of Riverina Water is recognised as having a role in risk management in the identification of risks to treatment and is encouraged to participate in that process.

Riverina Water will take a risk-based approach to managing risks based on the severity of the risk and effectiveness of controls. Management of extreme and high risks will be prioritised.

### Enterprise Risk Management Framework and Plan (ERMF and Plan)

Riverina Water will maintain a risk management framework and plan, detailing its approach to risk management, and to provide a consistent methodology to assess, prioritise and manage risk.

The Enterprise Risk Management Framework (ERMF) comprises this policy, board and management commitment to effective risk management, people and relationships that enable a risk aware culture and the objectives and strategies that provide the context for risk assessment and management.

### **Data and document control**



Figure 1. Riverina Water Enterprise Risk Management Framework

The Enterprise Risk Management Framework and Plan will be reviewed by management and approved by the CEO every two years. It will be provided to the Audit Risk & Improvement Committee and the Board for information.

The Framework will be aligned to the Australian/New Zealand ISO Standard on Risk Management (AS/NZS ISO 31000:2018)

Riverina Water will maintain an enterprise risk register including consideration of both the internal and external context of Riverina Water.

Managers are accountable for the management of operational risks within their respective areas of responsibility and a report on the high and strategic risks and their controls will be provided to the Audit Risk & Improvement Committee on an annual basis. These will inform and be considered in the development of the Internal Audit Plan.

Performance will be measured by:

- Implementation and documentation of risk management
- Identification of risks and successful treatment in accordance with procedures and guidelines
- Mitigation and control of any losses
- Reduction in the costs of risks
- Improvement in internal audit results on matters relating to risk

#### Key roles and responsibilities

##### Riverina Water Board

- Approve the Risk Management Policy and note the Enterprise Risk Management Framework(ERMF) and Plan
- Be satisfied that strategic risks are identified, managed and controlled appropriately
- Appoint the Audit Risk & Improvement Committee
- Allocate sufficient funds to support effective and efficient management of risks

##### Audit Risk & Improvement Committee

- Monitor the systems and processes for managing risks through internal audit, and consider the risk profile when developing and implementing the Internal Audit program
- Consider the adequacy of actions taken to ensure that high operational and strategic risks have been dealt with in a timely manner to mitigate exposures to Riverina Water

#### **Data and document control**

- Identify and refer specific projects or investigations deemed necessary to assess risk management through the CEO, the internal auditor and the council.

#### Internal Audit

- Consider strategic and operational risks in the development and implementation of the Internal Audit Plan and recommending improvements
- Periodically audit Riverina Water risk management practices and provide recommendations on improvements to management and the Audit Risk & Improvement Committee

#### CEO

- The CEO is accountable for ensuring appropriate risk management within Riverina Water
- Provide executive leadership in the management of strategic, operational and project risk, and generally champion risk management within Riverina Water
- Report expeditiously to the Audit Risk and Improvement Committee on any fraud and corruption incidents or material risk mitigation failures and actions taken
- Ensure that Riverina Water has the appropriate culture, capability, processes and systems to deliver on this policy and the ERMF and Plan.
- Ensure that risk management activities are aligned to Riverina Water strategy and objectives
- Ensure sufficient resourcing to support effective and efficient management of risks

#### Managers and supervisors

- These are the risk owners and are required to create an environment where the management of risk is accepted as the responsibility of all staff, volunteers and contractors
- Managers are accountable for the implementation and maintenance of sound risk management processes within their area of responsibility in conformity with Riverina Water's risk management framework including:
  - Improving and enhancing ways of managing risks
  - Identifying, recording and periodically reviewing risks
  - Identifying, recording and assessing effectiveness of existing controls
  - Implementing and maintaining effective internal controls
  - Developing treatment plans to treat higher level risks in a timely manner
- Managers and supervisors are also responsible for supporting good management practices that compliment risk management including:

#### **Data and document control**

- Complying with and monitoring staff compliance with Riverina Water's policies, procedures, guidelines and designated authorities
- Maintaining up-to-date information and documentation for key operational processes

#### Staff, contractors and service providers

- All staff, contractors and service providers are required to act at all times in a manner which does not place at risk the health and safety of themselves or any other person in the workplace
- Support risk owners (managers) and be responsible and accountable for taking practical steps to minimise Riverina Water's exposure to risks including contractual, legal and professional liability in so far as is reasonably practicable within their area of activity and responsibility
- All staff must be aware of operational and business risks. Particularly, staff should:
  - Provide input into various risk management activities
  - Assist in identifying key risks and controls
  - Report all emerging risks, issues and incidents to their supervisor, manager or other appropriate council officer
  - Follow Council policies and procedures

Some positions because of the nature of their role may have additional responsibilities for managing risks. These responsibilities will be listed in their position description or delegations.

### **Policy Implementation**

This Policy will be published to the Riverina Water Internet and Intranet. Staff awareness of the content of the policy will be achieved through team meetings and at induction for new members of staff. Training and awareness of safety and risk responsibilities is ongoing and risk management responsibilities are included in job descriptions and staff performance appraisals.

### **Non-Compliance**

Non-compliance with adopted policy may be considered a breach under the Code of Conduct. As such, any suspected or known non-compliance will be reported to the CEO.

## Document Details

<b>Policy number</b>	<b>1.13</b>
Responsible area	CEO
Approved by	Riverina Water Board – Res 22/194
Approval date	14 December 2022
Legislation or related strategy	Local Government Act 1993 Work Health & Safety Act 2011 (NSW) Work Health & Safety Regulation 2017 Civil Liabilities Act 2002 Independent Commission Against Corruption Act 1988 (ICAC Act)
Documents associated with this policy	Riverina Water Enterprise Risk Management Framework and Plan Asset Management (Policy 3.1) Asset Purchase and Disposal (Policy 3.2) Business Continuity Plan Governance Framework Fraud & Corruption Prevention (Policy 1.14) Health & Wellbeing (Internal Policy 3.29) Environmental Policy (Policy 5.0) Work Health and Safety (Policy 4.3) plus all work health and safety procedures and guidelines (refer to Intranet for full list)

### Data and document control

Riverina Water Enterprise Risk Register

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Policy history

Original publication date 14 Dec 2012 Res 12/175

Name changed from policy 5.3 on 22 Nov 2013

Reviewed 15 Oct 2014 Res 14/170

Reviewed May 2018 Res 18/55

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Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

**END OF POLICY STATEMENT**

**Data and document control**

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