



## POLICY – 1.7 – Enterprise Risk Management

### Relevant Delegation

N/A

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### Objective

To encourage an integrated, effective and organisation wide approach to risk management within the Shire of Menzies, facilitating value creation and protection.

### Policy Statement

The Council is committed to the use of risk management in the course of achieving its strategic objectives and delivery of services to the community. Management of risk is considered the responsibility of all elected members, employees and contractors, and is to be integrated throughout the Shire.

A Risk Management Strategy is to be maintained and implemented utilising the Principles, Framework and Process as defined within *AS/NZS ISO 31000:2018 Risk Management – Guidelines*.

#### 1. Risk Tolerance and Appetite:

Risk tolerance or risk appetite refers to the amount and type of risk that the Shire is willing to take in order to meet its strategic objectives. As a public body, there is an expectation the Shire will maintain an inherent low appetite for risk and as a consequence adopt policies and maintain systems and procedures to create value and protect the Shire, and its stakeholders.

The Council's risk tolerance and appetite is articulated within the Risk Management Strategy and any change to the level of risk tolerance and appetite within the Strategy can only be made with the Council approval.

#### 2. Risk Management Commitment:

The Council will maintain a continual commitment to risk management through the appropriate allocation of resources to facilitate application of the principles, framework and process as defined within *AS/NZS ISO 31000:2018*, through the 'Risk Management Strategy'. The *Risk Management Strategy* will assist the organisation to integrate risk management into decision making and operational activities, across the organisation. This commitment will work towards:

- a. Aligning the objectives, culture and strategy of the Shire with risk management;
- b. Addressing and recognising all obligations (including voluntary commitments) of the Shire;
- c. Communicating the risk appetite of the Shire to guide the establishment of risk criteria, to all employees, contractors and elected members and stakeholders;
- d. Promoting and conveying the value of risk management across the Shire;
- e. Encouraging methodical monitoring of risks;

Ensuring that the *Risk Management Strategy* remains relevant to and considers the context of the organisation.

– *End of Policy*

ADOPTED: 24 APRIL 2019

REVIEWED: 26 SEPTEMBER 2024