

ERM 1.1.1 Enterprise risk management framework

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1. Purpose

- 1.1. This document has three fundamental purposes critical to the establishment of broad enterprise risk management at AlburyCity. These purposes are:
- 1.1.1. To articulate a clear linkage between AlburyCity's enterprise risk management practice and the achievement of the objectives of Albury 2030 – Our Community Strategic Plan,
 - 1.1.2. To outline the structure and elements of the enterprise risk management framework to be developed and implemented across all of AlburyCity's activities, operations and projects, and;
 - 1.1.3. To position AlburyCity with a clear and unambiguous mandate and commitment to the effective application of contemporary and robust enterprise wide risk management practice.

2. Scope

- 2.1. Enterprise risk management applies to all AlburyCity workers and the conduct of all operational, strategic and project related activities by AlburyCity. The word 'Enterprise', used throughout this manual, identifies that all areas of AlburyCity are impacted by the relevant policies and procedures.

3. Definitions

- 3.1. The definitions in use in this document are set out in ERM 1.1.4 Enterprise risk management definitions

4. Table of References

	Reference Type	Title, publisher, date
1.	Legislation	Local Government Act (NSW) 1993
2.	Australian Standard	AS/NZS ISO 31000:2009 Risk management – Principles and guidelines, Standards Australia, 2009
3.	International Standard	IEC/ISO 31010 2009-11 Risk management – Risk management techniques, IEC, 2009
4.	International Standard Guide	ISO Guide 73:2009 Risk management – Vocabulary, ISO, 2009
5.	Community Strategic Plan	Albury 2030 – Our Community Strategic Plan, AlburyCity, 2013
6.	Policy Advice	Promoting Better Practice Guidelines, Office of Local Government, 2013

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5. Albury 2030 – Our Community Strategic Plan

- 5.1. Albury 2030 – Our Community Strategic Plan (the CSP) plays a significant role in guiding Council's decisions.
- 5.2. The CSP is owned by the Albury community but it is recognised by AlburyCity as the primary set of objectives and aspirations to be considered when making decisions regarding AlburyCity's strategic, operational and project activities.
- 5.3. It is recognised that the development of a robust and comprehensive set of risk management practices for the whole organisation will be instrumental in achieving the broad goals of the CSP, especially as they apply to planning and leading with good governance.

6. AlburyCity Enterprise risk management framework

- 6.1. AlburyCity is committed to the development and implementation of the Enterprise Risk Management Framework represented in ERM 1.1.1.1 Enterprise risk management framework.
- 6.2. All risk management practice across AlburyCity must link back to the achievement of the CSP.
- 6.3. Manex, in conjunction with the Audit Committee, sets the direction for the management of risk across all service areas operating within the organisation. The management of risk, in conjunction with other management direction, is integral to achieving excellent, sustainable governance and broad corporate performance objectives.
- 6.4. AlburyCity will
 - 6.4.1. develop and implement a robust system for managing risks
 - 6.4.2. be a proactive organisation that identifies and embraces an agreed appetite for risk
 - 6.4.3. ensure the adequate management of that risk in order to be a resilient and dynamic organisation.
- 6.5. AlburyCity is committed to being proactive in the implementation of enterprise risk management (ERM) at all levels, commencing with the clear communication from Manex to all areas of the organisation to adopt ERM processes.
- 6.6. Appropriate corporate ERM standards are to be developed and implemented and these will be underpinned by the enterprise risk management policy.
- 6.7. Appropriate ERM responsibilities are to be developed, implemented and communicated to all employees.
- 6.8. Appropriate training and education is to be delivered to all staff to ensure the corporate ERM standards are clearly understood.

7. Enterprise Risk Management mandate and commitment

- 7.1. This mandate and commitment requires AlburyCity to establish documented practices for the control of all organisational risks by developing and implementing an ERM manual according to the following requirements:

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- 7.1.1. The practices adopted by AlburyCity will be contemporary in the context of a NSW local government setting
- 7.1.2. ERM procedures will be consistent with all relevant laws, codes of practice, Australian Standards (including AS/NZS ISO 31000:2009, risk management – Principles and guidelines) and best practice as relevant
- 7.1.3. Incorporation of a version control methodology for all documentation within the Risk Management Framework consistent with the requirements of the ISO 9001 and AS ISO 10013 guidelines and standards
- 7.2. The ERM Manual must address the following areas of enterprise risk management at AlburyCity:
 - 7.2.1. Policy and administration, including identification of the breadth of the enterprise risk framework in place at AlburyCity
 - 7.2.2. Enterprise risk management context
 - 7.2.3. Implementation of enterprise risk management which includes
 - 7.2.3.1. a corporate level planning process which involves the annual preparation of an all of organisation risk review (the corporate risk plan) and subsequent directorate based risk management plans.
 - 7.2.3.2. Procedures for the identification and assessment of risk for strategic, operational and project activities.
 - 7.2.3.3. procedures for the treatment of identified risks
 - 7.2.3.4. Relevant risk management tools and templates to ensure a consistent approach to the practical implementation of enterprise risk management.
 - 7.2.4. Monitoring, review and improvement of enterprise risk management across AlburyCity
 - 7.2.5. Reporting on the effectiveness of enterprise risk management across AlburyCity.
 - 7.2.6. Specific procedures for public liability risk management.
- 7.3. AlburyCity's ERM Manual is to require that each Directorate examine their activities, identify hazards, assess and rank risks and develop control strategies to manage the highest priority activities that may potentially hinder the achievement of AlburyCity's corporate objectives.
- 7.4. AlburyCity's ERM Manual is to encapsulate the roles and responsibilities for all employees within AlburyCity to implement sound enterprise risk management practices in all of their professional undertakings at AlburyCity.

8. Associated documentation

- 8.1. This document is the foundation of AlburyCity's Enterprise Risk Management Framework, the application of which is fully set out in this Enterprise Risk Management Manual.