

3.1 ENTERPRISE RISK AND OPPORTUNITY MANAGEMENT POLICY AND FRAMEWORK (RG/ST F19-37303)

Responsible Officer: Danny Wain, Chief Financial Officer

RECOMMENDATION

That Council adopts the Enterprise Risk and Opportunity Management Policy and Framework.

INTRODUCTION

The Enterprise Risk and Opportunity Management Policy and Framework have been revised following a review of the current Framework, the release of ISO 31000:2018 Risk Management (the Standard) and the Internal Audit conducted by Pitcher Partners in 2016.

BACKGROUND

The original Risk and Opportunity Management Policy and Framework was adopted by Council in 2011, reviewed and adopted again in 2015 and now revised considering the new Standard, Internal Audit recommendations and reflects Council's ongoing commitment to risk and opportunity management.

DISCUSSION

The Standard sets out the principles and process for managing risk, providing more strategic guidance and places more emphasis on both the involvement of senior management and the integration of risk management into the organisation.

The 2016 Internal Audit identified opportunities to improve the Framework, including:

- Alignment of strategic risks with organisation objectives;
- Expanding current reporting on strategic risks;
- Incorporating consistency of quantitative measures in risk assessment and risk performance;
- Developing risk management training;
- Improving departmental guidance in applying the Risk Management Framework; and
- Better utilisation of the Risk Management Framework to direct and prioritise business activities.

Echelon Australia Pty Ltd was engaged to review Monash's Framework and align it with ISO: 31000 2018. The Enterprise Risk & Opportunity Management Framework supports the approach for the whole business to identify, analyse, evaluate, treat and report on risk and opportunities. A Procedures Manual was also developed to separate the 'how to' from the Framework.

Implementation of the Internal Audit recommendations will build upon Council's existing Risk and Opportunity Management Policy and Framework. It will also assist with incorporating and promoting risk and opportunity management into business processes further.

The Risk and Opportunity Management Policy has been updated with contemporary references.

The draft Framework has been reviewed by the Audit and Risk Committee in late 2018 and 2019 with their feedback incorporated.

CONCLUSION

The final Policy and Framework are presented to Council for adoption.