Procedure 5.03.6 Risk Management Committee (terms of reference)

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<th>Department</th>
<th>Organisational Development &amp; Governance</th>
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<td>Responsible Officer</td>
<td>Executive Manager</td>
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Documentation / Council and External References

- BVSC Risk Management Strategy

Background

The Leadership Executive Group has ultimate responsibility for risk oversight and risk management. The Risk Management Committee (RMC) reports directly to the Leadership Executive Group (LEG) and through LEG to the Internal Audit Committee. The RMC is a critical component of Council’s Risk Management Framework.

These terms of reference govern the processes of the Risk Management Committee (‘Committee’) and outline the procedures and guidelines in relation to its role.

Composition and tenure

The Chairperson of the Committee will be the General Manager or a suitable delegate appointed by the General Manager. The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Council. The members must ensure that they understand BVSC’s empowering legislation, governance, structure, controls and types of operations in order to adequately assess the significant risks faced by the organisation in its current environment.

Members of the Committee will have some or all of the following attributes:

- a commitment to Council and its values;
- an understanding of the Council’s aims and objectives;
- ability to understand risk management, legal, information technology and compliance concepts and articulate ideas;
- an independent viewpoint and ability to ask incisive questions;
- a thorough understanding of the responsibilities of the committee and sound knowledge of the core operations of Council and the environment in which it operates;
- strong demonstrated sense of probity and ethical conduct; and
- a commitment to continual improvement.
The Committee is comprised of the following positions:

- General Manager (Chairperson)
- Executive Manager | Governance and Organisational Development
- Manager – Children’s Services
- Manager – Roads
- Manager – Works team
- Manager – Community Engagement and Information Manager
- Manager – Waste Services
- Manager – Environmental Services
- Manager – Water & Sewer Services
- Manager – Business Services
- Manager – Leisure Services
- Manager – Finance
- Governance Coordinator
- Risk and Internal Audit Coordinator

Note
The Committee Membership will be reviewed annually.

Roles and responsibilities

The Committee has no executive powers or financial responsibility, except as set out in this charter, or as delegated by Council from time to time. The Committee is directly responsible and accountable to LEG for the exercise of its responsibilities.

The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, LEG and/or Council from time to time.

The RMC is responsible to both LEG and Council for:

Risk management

- the oversight of the establishment and implementation of a risk management framework; and reviewing the effectiveness of that risk management framework in identifying and managing risks and controlling internal processes;
- encouraging a culture based on principles that foster continuous improvement;
- determining that a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- reviewing the impact of the Council’s risk management framework on its control environment and insurance arrangements;
- monitoring event and claims trends to ensure strategic management of Council’s insurance portfolio;
• evaluating Council’s fraud control plan, in order to satisfy itself that the Council has appropriate processes and systems in place to capture and effectively investigate fraud related information; and

• providing input in the form of a standing agenda item to the Internal Audit Committee.

Control framework

• review whether management’s approach to maintaining an effective internal control framework, including over external parties such as contractors and advisors, is sound and effective;

• review whether management has in place relevant policies and procedures and that these are periodically reviewed and updated;

• review whether appropriate policies and procedures are in place for the management and exercise of delegations;

• review the relevance, verifiability and integrity of management and financial data and reports;

• consider how management identifies any required changes to the design or implementation of internal controls;

• review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour; and

• review management’s processes for ensuring commitment to, and compliance with, Council’s values.

Attendance at meetings and quorums

The Committee will meet at least four times per year. A quorum will consist of a majority of Committee members or their proxy. The Committee may also request that other employees attend committee meetings or participate for certain agenda items. Committee members are encouraged to contribute agenda topics from their areas.

Secretariat

Secretariat support is provided by the Risk Coordinator; who will ensure the agenda for each meeting and supporting documents are circulated, after approval from the Chair, at least 4 days but not more than 10 days before a scheduled meeting.

Additionally, that Minutes for each meeting and supporting documents are circulated, after approval from the Chair, at least 4 days but not more than 10 days after a scheduled meeting.

Review of charter

At least once a year the Committee will review these terms of reference. Any substantive changes to the terms of reference will be recommended by the Committee and formally approved by LEG.