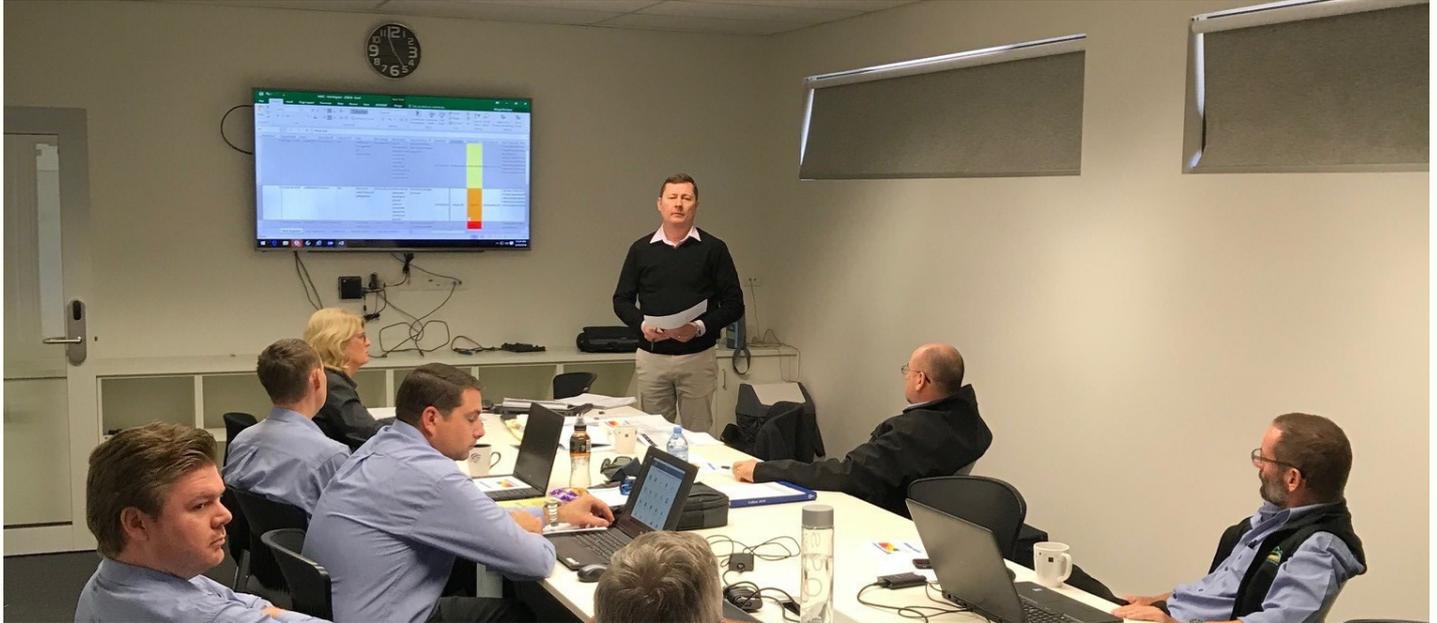


THE MPG CHRONICLE

Organisational excellence in the public sector



Let's talk about Enterprise Risk.

By Mark Watt, Senior Consultant

Risk is front of mind for many Council's, particularly if it becomes an audit requirement. Recently, Mead Perry Group has been assisting quite a few Councils in updating their approach to Enterprise Risk Management, including Risk Registers, Risk Management Plans, training, and in some cases, a complete review of their overall risk maturity. Managing risk is about reducing uncertainty. Besides a legislative requirement to manage operational risks, it is necessary for Councils to consider the possibility of risks affecting the services they provides. Good risk management contributes to the achievement of Council's goals and objectives.

Risk management must be integrated with Council's operations. Decisions made by various stakeholders and Councillors need to consider potential risks and how to mitigate against them.

**MANAGING
ORGANISATIONAL RISK IS
AN INTEGRAL PART OF
CORPORATE GOVERNANCE**

**CONSIDER RISKS AND
MITIGATE AGAINST THEM**

**DOCUMENT RISK VIA A
RISK REGISTER**

**RETROSPECT: A LOOK
BACK AT LAST YEAR**

Which piece of equipment presents the highest risk?



Council's External Auditor would also expect that Council maintains an up-to-date Risk Register. Quite a few Councils also have in place a Risk Management Plan. Such a plan helps document Council's risk appetite and how it will manage ongoing risks, particularly for employees exercising their day to day duties.

Councils often seek MPG's help with documenting a formal approach to risk, given our familiarity with local government and our ability to make it simple and manageable.

In establishing a risk management framework, Councils can achieve a great deal to better manage the services it provides to the community. Effective risk management is a critical and integral part of good management and corporate governance. Through our work with various Councils in risk, we have found that in most cases, risk is well managed. However, it may not be well documented, or carried out within a clear framework. Once the basic elements of a risk framework are established, and staff are formally trained, Councils realise they are already doing most of what is required. It's just putting it together and formalising the strategy that equips them to deal much more effectively with risk exposure.

At the very least, a good risk strategy should include a Risk Register. A register of this type will include both corporate and operational risks facing Council. If the Risk Register is reviewed regularly, it will certainly assist Council in being aware of its overall risk exposure and what strategies Council has in place to deal with them.

Work health and safety is about eliminating risk entirely. On the other hand, Corporate risks management is about knowing the risks and the level of acceptance of that risk.



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