

## **5.10. ENTERPRISE RISK MANAGEMENT POLICY, FRAMEWORK AND CORPORATE RISK REGISTER**

**REPORT AUTHOR** Juanita Holden, Manager Governance

**MANAGER** Mark Stoermer, Chief Executive Officer

**DEPARTMENT** Governance

### **RECOMMENDATION**

**The Council:**

- 1. Adopts the Enterprise Risk Management Policy; and**
- 2. Adopts the Enterprise Risk Management Risk Framework and Guideline; and**
- 3. Endorse the Corporate Risk Register.**

### **EXECUTIVE SUMMARY**

Managing risk is an essential component of an organisation's operations to ensure that the corporate goals and objectives can be achieved. The review and update of Council's Risk Management Policy and accompanying Guidelines confirms Council's commitment to the ongoing maintenance of a robust risk management culture within the organisation.

### **BACKGROUND**

The Enterprise Risk Management Policy, Framework and Risk Register have undergone the annual review and were presented to the Audit Committee 21 June 2021 for endorsement.

### **COMMENT**

Council and the Management Team view corporate risk management as an important and strategic initiative towards providing reasonable assurance that organisational objectives as indicated in the Corporate Plan/Annual Operational Plan will be achieved through the identification and efficient management of potential corporate risks. A commitment to effective corporate risk management and delivery of the internal audit function assists Council to attain long term sustainability as well as meet Council's legislative obligations and community expectations.

When making informed decisions, good corporate risk governance is promoted by encouraging a culture of prudent risk taking within the tolerable risk limits of the organisation.

### **PROPOSAL**

That Council adopts the Enterprise Risk Management Policy, adopts the Enterprise Risk Management Risk Framework and Guideline and endorse the Corporate Risk Register.

### **FINANCIAL/RESOURCE IMPLICATIONS**

Not managing risk appropriately can result in significant loss of income or additional cost.

## RISK MANAGEMENT IMPLICATIONS

The Enterprise Risk Management Policy and Guideline reinforces Council's commitment to manage risk to ensure the organisations goals and objectives can be achieved.

The Corporate Risk Register identify significant risks and lists current and future mitigation strategies. This Register reinforces Councils commitment to manage risk to ensure the organisation's goals and objectives can be achieved.

## SUSTAINABILITY IMPLICATIONS

**Economic:** Nil

**Environmental:** Nil

**Social:** Nil

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

**Goal 1** - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

**Goal 3** - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<b>Regulator</b>	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.
------------------	--

## CONSULTATION

**Internal:** Management Team, Councillors

**External:** Audit Committee, QAO

## COMMUNITY ENGAGEMENT

Nil

## ATTACHMENTS

1. Enterprise Risk Management Policy [**5.10.1** - 4 pages]
2. Enterprise Risk Management Framework Guideline Document [**5.10.2** - 21 pages]
3. Corporate Risk Register [**5.10.3** - 6 pages]



## 17. ENTERPRISE RISK MANAGEMENT POLICY

---

### Intent

This policy demonstrates that Douglas Shire Council understands and manages risk and seeks to ensure that there is consistency to the methods used in assessing, monitoring and communicating risks across the organisation.

Council will maintain a program of strategic and operational risk management to ensure that the community and the Council are protected against loss by adding clarity to decision making. This will place Council in a position to capitalise on opportunities by providing a better understanding of the implications of decision over the long term.

### Scope

This policy applies to all areas across Council and applies to Councillors, employees, contractors and to any person or organisation that acts for or represents Douglas Shire Council.

Risk Management will be:

- Integrated into corporate and operational planning;
- Used as a critical business tool in decision making; and
- Used as a critical part of project management.

Key drivers for risk management include sound governance, legislative frameworks, decision making, environmental sustainability, social sustainability and financial sustainability.

### Policy Statement

Risk is inherent in all Council's business activities, programs, services, projects, processes and decisions. Douglas Shire Council is committed to the identification and management of all risks associated with the performance of Council functions and the delivery of Council services and embedding Enterprise Risk Management (ERM) as part of Council's governance framework to protect its employees, the general public, assets and the environment.

Council's approach to ERM is based on the Australian/New Zealand and International Standards AS/NZS ISO 31000:2018.

Douglas Shire Council recognises it has responsibility to identify and address all threats and opportunities associated with:

- a) The provision of a safe and healthy operating environment for all employees, the general public and other stakeholders involved with the provision and use of Council services and infrastructure; and
- b) The prudent management of Council property and resources on behalf of ratepayers; and
- c) The achievement of Council's corporate objectives to provide effective service to the public.

## Risk Management Principles

Management and employees must assume responsibility for ERM facilitated by the following guiding principles:

- a) **Adoption of a governance framework** – The Enterprise Risk Management Framework and Enterprise Risk Management Process Procedure outlines accountabilities and obligations and guides the implementation and ongoing monitoring of ERM throughout Council.
- b) **Adds Value** – Alignment and integration with Council's Corporate and Operational Planning and budget deliberation processes.
- c) **ERM is an integral part of organisation processes** – Management endorsed integration in all business processes.
- d) **ERM informs all decision making** – Decision makers are making informed decisions cognisant of relative risks.
- e) **ERM promotes a safer work environment** – Risk Management integrated with Council's Workplace Health and Safety, promoting safe work practices and a safer work environment.
- f) **Explicitly addresses uncertainty** – taking account of uncertainty, the nature of uncertainty and how it can be addressed.
- g) **Systematic, structured, timely and tailored.**
- h) **Based on best available information and experience** – Utilisation of generally accepted risk mitigation techniques for managing risks.
- i) **Transparent, inclusive and responsive to change** – Timely involvement of stakeholders.

## Definitions

TERM	DEFINITION
<b>CEO</b>	Chief Executive Officer A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position.
<b>Contractor</b>	A person, organisation or entity that performs a specific act or acts including the provision of services and/or materials to another person, organisation or entity under an agreement enforceable by law.
<b>Council</b>	Douglas Shire Council
<b>Employee</b>	Local Government Employee: (a) The Chief Executive Officer; or (b) A person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .
<b>Enterprise Risk Management (ERM)</b>	Enterprise risk management encompasses all the major risk categories (including financial, environmental, health and safety, fraud, information technology, compliance, security and business continuity) and includes the coordination, integration, consolidation and consistency of reporting by the various Council functions with identified risks.
<b>Enterprise Risk Management Framework</b>	Councils adopted systems, processes and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving ERM throughout Council. The Framework provides an expression of intent on what, why and how risk is to be managed and shows how Council provides capacity to manage risks according to the intent.

TERM	DEFINITION
<b>External Stakeholders</b>	Any individual or organisation that can impact, be impacted by, or perceive themselves impacted by, Council's objectives. For example: Council suppliers.
<b>Risk</b>	A risk to the business is any action or event that has an effect of uncertainty on objectives of Douglas Shire Council. It is measured in terms of consequence and likelihood.

## Roles and Responsibilities

All employees are responsible for identification and management of risk. Management are responsible for the devolution of the Risk Management Process and creation of an environment where managing risk forms the basis of all activities.

## Related Legislation

*Local Government Act 2009*

*Local Government Regulation 2012*

## Related Documents

Australian AS ISO 31000:2018 Risk Management – Guidelines

Risk Management Framework

Fraud and Corruption Control Policy

Annual Operational Plan

Internal Audit Plan

## Policy Review

This Policy will be reviewed when any of the following evaluations occur:

- The related information is amended or replaced
- Other circumstances as determined by Audit Committee, Management Team and / or Council.

## Policy Details

<b>Policy Name</b>	<b>Enterprise Risk Management Policy</b>
<b>Policy Number</b>	17
<b>Policy Version</b>	4
<b>Document Number</b>	810149
<b>Endorsed by</b>	Chief Executive Officer
<b>Policy Type</b>	Council
<b>Approval Authority</b>	Council

<b>Date Adopted</b>	
<b>Time Period</b>	Annually
<b>Review Date</b>	01/05/2022
<b>Policy Department</b>	Governance
<b>Link to Corporate Plan</b>	Robust Governance and Efficient Service Delivery
<b>Revoked/Superseded</b>	

**This policy is to remain in force until otherwise determined by Council.**



# **Enterprise Risk Management Framework and Guidelines**

**June 2021**



## Contents

1	Statement of Commitment .....	1
2	Introduction .....	1
3	Definitions .....	2
4	Risk Management Principles .....	2
5	Risk Management Framework .....	3
6	Basis, Roles and Responsibilities .....	4
7	Risk Management Process .....	4
7.1	Communicate and Consult .....	5
7.2	Establish the Context .....	5
7.3	Risk Assessment .....	5
7.3.1	Identify Risks .....	5
7.3.2	Analyse Risks .....	6
7.3.3	Evaluate Risks .....	8
7.3.4	Risk Register .....	9
7.4	Treatment of Risks .....	9
7.5	Monitor and Review .....	10
8	Recording the Risk Management Process .....	11
9	Reviewing the Risk Management Framework and Guidelines .....	11
10	Communication .....	11
	APPENDIX A – RISK APPETITE STATEMENT .....	12
	APPENDIX B – DOUGLAS SHIRE COUNCIL ENTERPRISE RISK MANAGEMENT GENERAL POLICY .....	14
	APPENDIX C – RISK ASSESSMENT TEMPLATE .....	18
	APPENDIX D – RISK TREATMENT PLAN .....	19

# 1 Statement of Commitment

The major risk for most organisations is that they fail to achieve their stated strategic business or project objectives, or are perceived to have failed by their stakeholders. Douglas Shire Council is committed to establishing an environment that is not unduly risk averse, but one that enables risks to be logically and systematically identified, analysed, evaluated, treated, monitored and managed. Risk is inherent in all of Council's activities and a formal and systematic process will be adopted to minimise and where possible eliminate all risks that directly or indirectly impact on the Council's ability to achieve the vision and strategic objectives outlined in the Corporate Plan.

Douglas Shire Council is aware that managing risk is not just about avoiding or minimising adverse outcomes, but also has a positive application, in that the proactive analysis of potential risks can also assist the organisation in achieving new and potential opportunities.

This Enterprise Risk Management Guidelines has been developed to demonstrate the Council's commitment, by detailing the integrated Risk Management framework to be employed by all staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in managing risk.

In addition the Guidelines have been developed to:

- Ensure risk management is an integral part of strategic planning, management and day to day activities of the organisation;
- Promote a robust risk management culture within the Council;
- Enable threats and opportunities that face the organisation to be identified and appropriately managed within Council's risk appetite and budget;
- Facilitate continual improvement and enhancement of Council's processes and systems;
- Improve planning processes by enabling the key focus of the organisation to remain on core business and service delivery;
- Encourage ongoing promotion and awareness of risk management throughout Council.

# 2 Introduction

In order for Council to deliver the strategies and achieve the objectives as outlined in the Corporate Plan, Council needs to identify and manage risks. Risk is an event or action, which has the potential to prevent Douglas Shire Council from achieving its corporate objectives. A risk can also be defined as an opportunity that is not being maximised by the Council to meet its objectives.

Enterprise Risk Management (ERM) is the management of risk not only in conventional hazard categories such as health and safety, IT, finance, but in the full spectrum of strategic and operational risk. ERM is the structured approach of aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risk.

*Enterprise* means the removal of traditional functional, divisional, departmental or cultural barriers. Importantly having a structured approach provides guidance to managing existing and perceived risks that have potential to impact on the organisation's commitment to fulfil its business objectives.

Effective risk management is governed by an organisation's commitment to risk management. Council's risk management process is outlined in this document.

### 3 Definitions

**Risk:** A risk to the organisation is any action or event that has the potential to impact on the achievement of our business objectives.

Risk also arises as much from the possibility that opportunities will not be realised as it does from the possibility that threats will materialise or that errors will be made.

**Risk Management:** Risk management for Council refers to the culture, processes and structures developed to effectively manage potential opportunities and adverse effects for any activity, function or process undertaken by the Council. Managing risk is achieved through the systematic application of policies, procedures and practices to identify, analyse, evaluate, treat, monitor and communicate risk.

**Enterprise Risk Management (ERM):** Enterprise risk management encompasses all the major risk categories (including financial, environmental, health and safety, fraud, information communication technology, compliance, security and business continuity) and includes the coordination, integration, consolidation and consistency of reporting by the various Council functions with identified risks.

**Risk Register:** A list of identified and assessed risks directly related to either a particular directorate or to the whole of Council. Risk Registers can be held at either Corporate, Operational, Project or Event level.

**Likelihood:** The chance of something happening, whether defined, measured or determined objectively or subjectively (probability or frequency).

**Consequence:** The outcome of an event affecting objectives (impact/magnitude). An event can lead to a range of consequences. A consequence can be certain or uncertain and can have a positive or negative effect on objectives. Consequences can be expressed qualitatively or quantitatively.

**Risk Appetite:** The amount and type of risk that Council is prepared to pursue, retain or tolerate. It is expressed in the form of a Risk Appetite Statement (Appendix A).

**Risk Owner:** The person with the accountability and authority to manage a risk. The owner may delegate some duties in relation to managing the risks for which they are responsible, however they are ultimately accountable for the risks allocated to them.

**Risk Treatment:** The process to modify existing risks or new risks. Some options for treating a risk can include: Retaining, Transferring, Sharing, Avoiding or Controlling.

**Risk Treatment Action Plans:** The document that outlines the steps to be taken to reduce unacceptable risks to achievable and acceptable levels. This includes details on current controls; required risk treatments; improvement opportunities; resources; timing; reporting and accountabilities. Action Plans must be reviewed on a regular basis to ensure controls are actually working.

### 4 Risk Management Principles

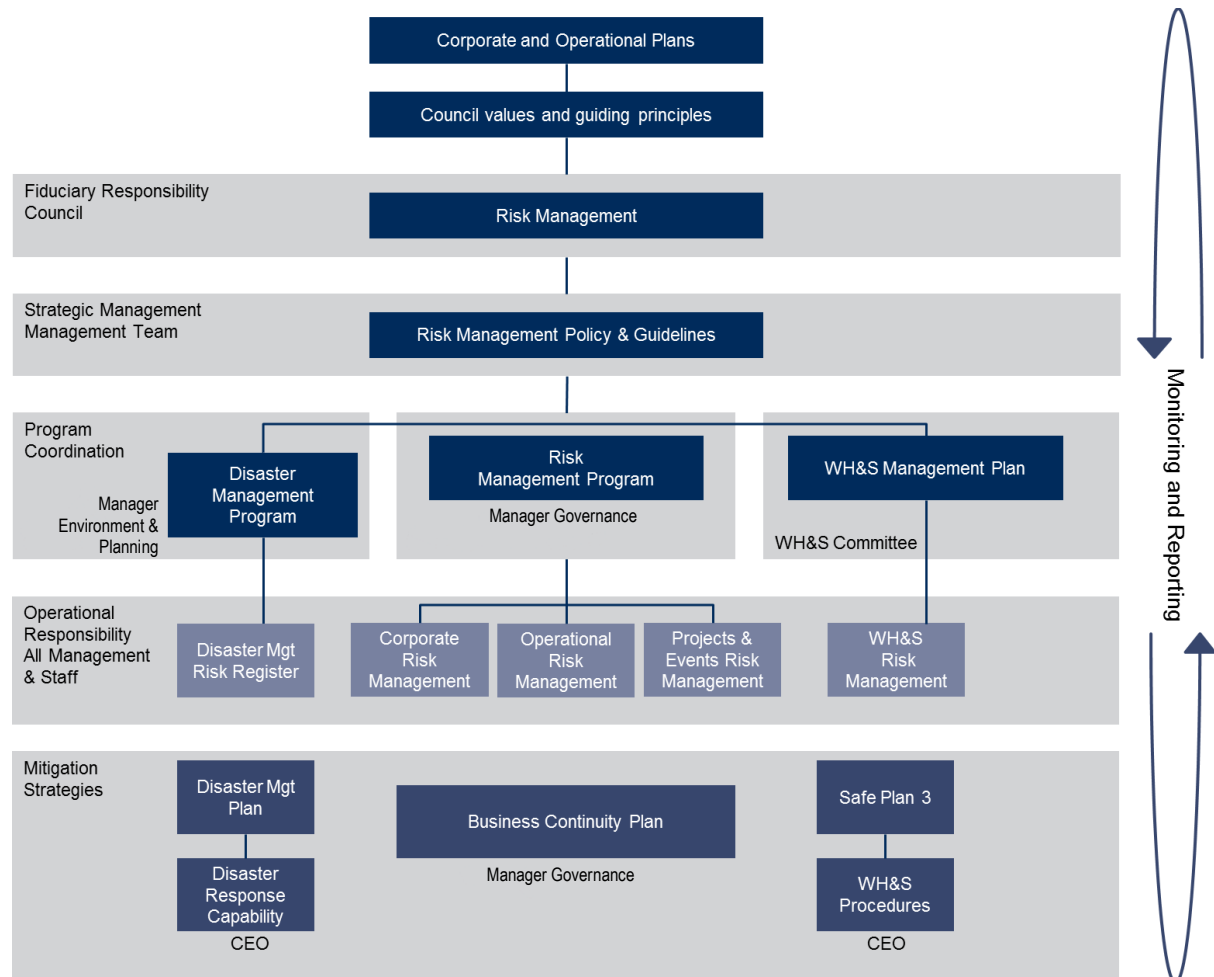
For risk management to be effective, an organisation should comply with the following principles.

Risk management:

- Creates and protects value;
- Is an integral part of organisational processes;
- Is part of decision making;
- Explicitly addresses uncertainty;
- Is systematic, structured and timely;
- Is based on the best available information;
- Is tailored;
- Takes human and cultural factors into account;
- Is transparent and inclusive;
- Is dynamic, iterative and responsive to change; and
- Facilitates continual improvement of the organisation.

## 5 Risk Management Framework

The Risk Management Framework explains the relationship between the Council's risk management components and other management systems and frameworks.



## 6 Basis, Roles and Responsibilities

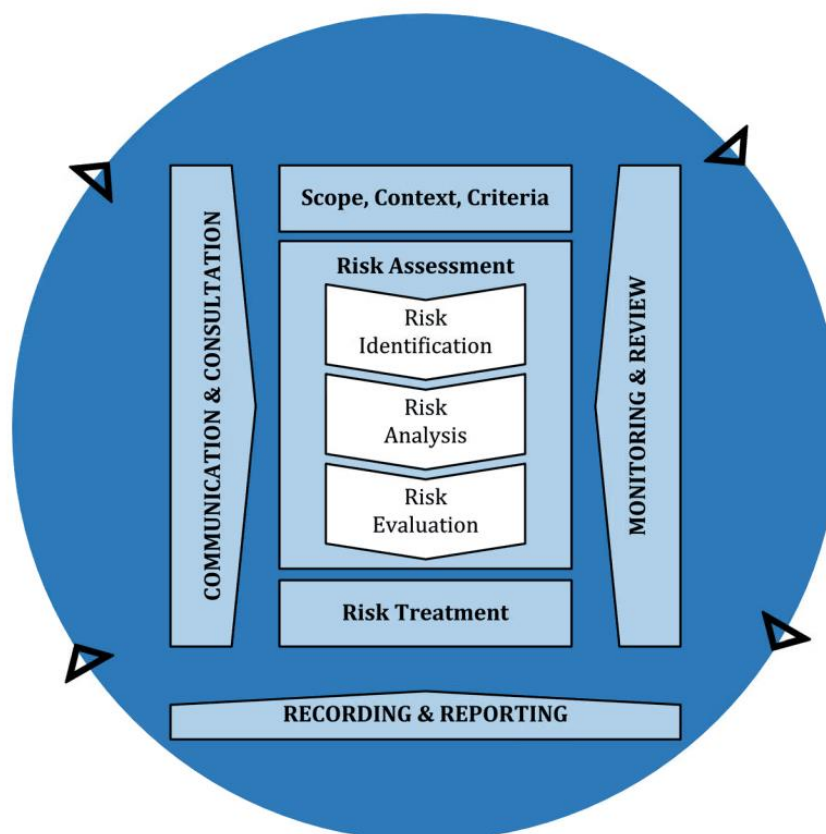
Please refer to Council's Risk Management Policy (Appendix B).

## 7 Risk Management Process

The process adopted by Douglas Shire Council to manage risks is in accordance with *AS ISO 31000:2018 Risk Management – Guidelines*. This process involves the systematic application of policies, procedures and practices to the activities of:

- communicating and consulting,
- establishing the context, and
- assessing,
- treating,
- monitoring, reviewing,
- recording and
- reporting risk.

The following diagram represents the components of the Risk Management process. Each of these components is explained further below.



Source: Australian Standard for Risk Management – AS ISO 31000:2018

## 7.1 Communicate and Consult

It is an essential part of the risk management process to develop and implement an effective framework to communicate and consult with all relevant stakeholders, internal and external as appropriate, at each stage of the risk management process and concerning the process as a whole. The level of communication and consultation will vary depending on the level of interest and or influence of that particular stakeholder individual or group. Communication and consultation is necessary at every stage of the Risk Management process.

## 7.2 Establish the Context

Stage one of the process establishes the strategic, organisational and risk management context in which the rest of the process will take place. This includes the criteria against which risk will be evaluated, the risk appetite of the organisation and corrective actions for the different rating achieved in the assessment of the risks.

In considering context, it is necessary to consider the broader external environment in which the organisation operates and not just internal matters.

A written statement of context is to be documented and communicated at the appropriate levels within the organisation.

## 7.3 Risk Assessment

### 7.3.1 Identify Risks

At this stage, the organisation identifies what, why and how things can arise, that may affect the organisation, as the basis for further analysis. This is done at both strategic and operational levels of the organisation.

Categories of risk for the organisation at a strategic and operational level may include, but are not limited to:

Risk Categories	Definition	Code
Financial (Revenue & Costs)	Covers financial capacity, availability of capital, the current economic environment, financial management and reporting, knowledge management, efficiency of systems, processes and organisational structure.	F
Information Technology & Data	Covers the security, function and management of information technology systems, hardware, processes and data.	ITD
Infrastructure Assets/Property	Covers infrastructure asset capacity and management, buildings, equipment, project delivery, inventory and sourcing.	IA
Environment	Covers environmental performance of Council's operations and adverse outcomes relating to air, fauna, flora, water, waste, noise, land sustainability (including Climate Change), hazardous materials and heritage.	EN
Operational – Business Continuity	Covers business continuity issues, (including Information Technology issues), including those attributable to natural and man-made disasters.	BC
Strategic/Corporate Governance – Reputation - Political	Covers Council's reputation with the community, customer service and capability as a regulator. Also the external political environment in which Council operates, including inter-governmental relations, state and national policies and relations with special interest groups.	RE/PO
Workplace Health & Safety	Covers Workplace Health and safety issues.	WHS
Legal Compliance, Regulatory & Liability	Covers legal compliance and liabilities attributable to non-compliance with Acts, regulations, statutory obligations, including class actions, public liability claims, product liability, professional indemnity and public health and safety.	LRL

### 7.3.2 Analyse Risks

This stage determines the inherent risks and then calculates any residual risks taking into consideration any existing controls in place (existing processes and procedures). Risks are analysed in terms of consequence and likelihood in the context of those controls. The analysis will consider the range of potential risk exposure consequences and how likely those consequences are to occur. The Consequence and Likelihood are then combined to produce an estimated level of risk known as the Overall Risk Rating.

#### Determining Likelihood

In determining the **likelihood** of each risk, the following ratings and definitions have been applied. In making your assessment you have to remember that some events happen once in a lifetime, others can happen almost every day. Judgement is required to determine the possibility and frequency that the specific risk is likely to occur.

**Likelihood Table**

Description	Definition - Likelihood of Occurrence
<b>Rare (L1)</b>	Event may occur once in every 10+ years
<b>Unlikely (L2)</b>	Event may occur once in every 5 – 10 years
<b>Possible (L3)</b>	Event may occur once in every 2 – 5 years
<b>Likely (L4)</b>	Event may occur once in every 1 – 2 years
<b>Almost Certain (L5)</b>	Event may occur within one year

#### Determining Consequence

In determining the consequence of each risk, the following ratings and definitions have been applied. There are five levels used to determine consequence and when considering how risks may impact on the organisation it is also important to think about the non-financial elements as well.

**Consequence Table**

Description	Qualitative Definition - Consequence
<b>Insignificant (C1)</b>	An event, where the impact can be absorbed; no injuries; low financial loss
<b>Minor (C2)</b>	An event, the consequences of which can be absorbed but management effort is required to minimise the impact; first aid treatment; low-medium financial loss
<b>Moderate (C3)</b>	A significant event, which can be managed under normal circumstances; medical treatment; medium financial loss
<b>Major (C4)</b>	A critical event, which, with proper management can be continued; extensive injuries; loss of service provision; major financial loss
<b>Catastrophic (C5)</b>	A disaster, which could lead to the collapse of the organisation; death; huge financial loss

Quantitative parameters have been developed (Refer Consequence Matrix) to enable the organisation to consistently assign consequence ratings to potential risks. These quantitative measures assign the organisation's risk tolerance parameters applicable to each of the five consequence levels. This approach ensures that all staff can rate the consequence of a risk occurring against the organisation's established parameters, instead of their own personal choice.

**Consequence Matrix**

Consequence	Rating	Financial (Revenue & Costs)	Information Technology & Data	Infrastructure Assets/Property	Environment	Operational – Business Continuity	Strategic/Corporate Governance- Reputation – Political	Workplace Health & Safety	Legal Compliance, Regulatory & Liability
<b>Catastrophic</b>	5	Huge financial loss (e.g. > 10% of revenue or budget).	Extensive loss of/damage to assets and/or infrastructure. Permanent loss of data. Widespread disruption to the business.	Widespread substantial/permanent damage to assets and/or infrastructure.	Long-term large scale damage to habitat or environmental. Serious/repeated breach of legislation/licence conditions. Cancellation of licence and/or prosecution.	The continuing failure of Council to deliver essential services. The removal of key revenue generation.	Loss of State Government support with scathing criticism and removal of the Council. National media exposure. Loss of power and influence restricting decision making and capabilities.	Fatality or significant irreversible disability.	Extensive breach involving multiple individuals. Extensive fines and litigation with possible class action. DLG review or Administrator appointed
<b>Major</b>	4	Major financial loss (e.g. 5% to 10% of revenue or budget).	High risk of loss/corruption of data; significant catch-up will be required. Business continuity plans should be implemented.	Significant/permanent damage to assets and/or infrastructure.	Severe impact requiring remedial action and review of processes to prevent re-occurrence. Penalties and/or directions or compliance order incurred	Widespread failure to deliver several major strategic objectives and service plans. Long-term failure of Council causing lengthy service interruption.	State media and public concern/exposure with adverse attention and long-term loss of support from Council residents. Adverse impact and intervention by State Government.	Extensive injuries. Lost time of more than 4 working days.	Major breach with possible fines or litigation. DLG or Administrator may be involved. Critical failure of internal controls, may have signification and major financial impact
<b>Moderate</b>	3	High financial loss (e.g. 2% to 5% of revenue or budget).	Moderate to high loss of IT. Some data may be permanently lost. Workarounds may be required.	Moderate to high damage requiring specialist/contract or equipment to repair or replace.	Moderate impact on the environment; no long term or irreversible damage. May incur cautionary notice or infringement notice.	Failure to deliver minor strategic objectives and service plans. Temporary & recoverable failure of Council causing intermittent service interruption for a week.	Significant state wide concern/exposure and short to mid term loss of support from Council residents. Adverse impact and intervention by another local government & LGAQ	Medical treatment. Lost time of up to 4 working days	Serious breach involving statutory authorities or investigation. Prosecution possible with significant financial impact. Possible DLG involvement. Moderate impact of legislation/regulations.
<b>Minor</b>	2	Minor financial loss (e.g. ½% to 2% of revenue or budget).	Minor loss/damage to IT and communications. Some data catch-up may be required.	Minor loss/damage. Some repairs may be required.	Minor localised impact; one-off situation easily remedied.	Temporary and recoverable failure of Council causing intermittent service interruption for several days.	Minor local community concern manageable through good public relations. Adverse impact by another local government.	First aid treatment. No lost time	Minor breach with no fine or litigation. Contained non-compliance or breach with short term significance with minor impact. Some impact on normal operations.
<b>Insignificant</b>	1	Low financial loss (e.g. < ½% of revenue or budget.).	Negligible loss or damage to IT hardware and communications. No loss of data.	Negligible damage to or loss of assets.	Minor breach of environmental policy /practices. Negligible impact on the environment	Negligible impact of Council, brief service interruption for several hours to a day.	Transient matter, e.g. Customer complaint resolved in day to day management. Negligible impact from another local government	No injury	Isolated non-compliance or breach. Minimal failure managed by normal operations. Insignificant legislation/regulations.



### Determining the overall Risk rating

After the **consequence** and **likelihood** ratings have been determined they are combined in a matrix to determine the overall risk rating for each risk. The extent of the consequences and the extent of the likelihood risks will be assessed using a scale containing **Low, Moderate, High and Extreme**.

The table below illustrates how the combination of the consequence and likelihood generates the overall risk rating.

**Risk Assessment Matrix**

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

### 7.3.3 Evaluate Risks

Risks need to be evaluated and prioritised to ensure that management effort is directed towards resolution of the most significant organisational risks first. The initial step is to evaluate whether to accept or manage the risks further with reference to the Risk Appetite Statement.

The next step is to determine the effectiveness, and or existence of, controls in place to address the identified risks. The following table will assist to determine the effectiveness, and or existence of, controls in place to address the identified risks.

Control Assessment	Description
<b>Adequate</b>	<ul style="list-style-type: none"> <li>The controls address the identified risk and there is little scope for improvement.</li> <li>There is no convincing cost/benefit justification to change the approach.</li> </ul>
<b>Opportunities for Improvement</b>	<ul style="list-style-type: none"> <li>The controls contain some inadequacies and scope for improvement can be identified.</li> <li>There is some cost/benefit justification to change the approach.</li> </ul>
<b>Inadequate</b>	<ul style="list-style-type: none"> <li>The controls do not appropriately address the identified risk and there is an immediate need for improvement actions.</li> <li>There is a significant cost/benefit justification to change the approach.</li> </ul>

Following the process of identification, analysis and evaluation of risks and controls, the outcomes are to be communicated with all relevant stakeholders and agreements reached with the various Risk Owners prior to being documented in the Risk Register.

### 7.3.4 Risk Register

A Risk Register is developed to record and assess each risk identified as part of the risk identification stage.

The application of the stages of the risk assessment process noted above ensure there is consistency in the determination of the current risk severity level, taking into account the existing controls and their level of effectiveness in mitigating or addressing the risk. (Refer to Appendix C for a Risk Assessment Template.)

#### Risk Profile diagram

At the completion of the assessment process, a risk profile diagram will be developed to highlight each of the risks identified and their overall risk rating.

The risk profile diagram (example below) will highlight to the CEO and Management Team the key risk exposures and number of risks within each rating range across the organisation. The risks will be categorised as **Extreme, High, Moderate and Low** to assist management to target those risks that have the greatest potential impact on the organisation.

	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	0	0	1	1	0
Likely	0	0	1	2	0
Possible	0	3	1	0	1
Unlikely	2	6	14	0	2
Rare	0	3	0	0	0

## 7.4 Treatment of Risks

After evaluating each risk and appropriate controls, it is the responsibility of the manager to implement the suitable treatment. Treatment needs to be appropriate to the significance and priority of the residual risk. As a general guide:

Risk Treatment Options	
<b>Accept</b>	Where the risk cannot be avoided, reduced or transferred. Usually likelihood and consequences are low.
<b>Control</b>	Reduce the likelihood of occurrence or the consequences (eg: implement procedures or internal controls).
<b>Transfer</b>	Shift all or part of the responsibility to another party who is best able to control it (eg: an insurer who can bear consequences of losses).
<b>Avoid</b>	Decide not to proceed with the activity or project.

Determine the most effective treatment options by considering the:

- Cost/benefit of each option including the cost of implementation (do not consider financial considerations only; organisational, political, social and environmental factors should also rank)
- Use of proven risk controls
- Anticipated level of risk remaining after implementation of risk treatment. The final acceptance of this risk will be a matter for the appropriate Manager to decide.

Once treatment options for individual risks have been selected, they should be assembled into action plans, risk treatment plans or strategies. The outcome of an effective risk treatment plan is knowledge of the risks Council can tolerate and a system that minimises those risks that it cannot tolerate.

The decision to accept a risk will be determined by the agreed table indicating proposed corrective action and the risk appetite criteria established by the Council. For example a Low risk is accepted and only requires monitoring should circumstances change. For other risks, a specific management plan may be required to be developed and implemented which may include consideration of funding. Risk treatment strategies need also to be considered to ensure that no new risks are introduced.

The approach for treatment of risks is:

<b>Risk Level</b>	<b>Appropriate Management Response</b>
<b>Extreme</b>	<b>Needs Active Management:</b> A risk action plan must be established and implemented
<b>High</b>	<b>Needs Regular Monitoring:</b> Existing good controls should be maintained and any additional risk actions required should be defined and implemented
<b>Moderate</b>	<b>Needs Periodic Monitoring:</b> Risk should be monitored in conjunction with a review of existing control procedures
<b>Low</b>	<b>No Major Concern:</b> Significant management effort should not be directed towards these risks

### Escalation Plan

Procedures should be in place for notifying the appropriate persons according to the risk rating, in particular where a risk may escalate due to changed or unforeseen circumstances.

Reports on risk ratings and associated escalation plans will be provided throughout the organisation to assist all staff in managing risk.

## 7.5 Monitor and Review

This stage establishes a process to monitor and review the performance of the risk management system implemented and changes that might affect the performance or give rise to new risks that will require assessment.

Both monitoring and reviewing should be a planned part of the risk management process and tailored to the needs of the organisation and the significance of the risks identified. It should be undertaken on at least an annual basis.

The continual process of monitoring and reviewing is required to ensure ongoing effective risk treatments and the continual improvement of the risk management standards.

- **Monitoring** – assess whether current risk management objectives are being achieved. Council can use inspections, incident reports, self-assessments and audits to monitor its risk management plan.

- **Review** – assess whether the current risk management plan still matches Douglas Shire Council's risk profile. The risk management plan may be reviewed by studying incident patterns, legislative changes and organisational activities.

Possible methods for review:

- Internal check program/audit or independent external audit;
- External scrutiny (appeal tribunal, courts, commission of inquiry);
- Physical inspection;
- Program evaluation; and
- Reviews of organisational policies, strategies and processes.

When completing the review process, it is important the context in which the original risk was developed is reassessed. The review should also be informed by reports and recent events and include consideration of:

- Completeness of the register;
- Continued existence of controls;
- Adequacy of controls;
- Risk ratings;
- Treatment strategies;
- Risk owner; and
- Risk review date.

## 8 Recording the Risk Management Process

Each stage of the Risk Management process must be recorded appropriately. All Risk Assessments and Risk Treatment Action Plans must be documented, retained and easily accessible for future reference. Even if a risk is assessed to be Low and a decision is taken to do nothing, the reasoning that led to the decision must be recorded.

## 9 Reviewing the Risk Management Framework and Guidelines

In order to ensure that the risk management process is effective and continues to support the organisation's performance, all aspects of the risk management process will be periodically reviewed.

The Risk Management Framework and Guidelines, Risk Management Policy and Risk Registers will be reviewed to ensure that they are still appropriate and continue to reflect the organisation's risk activities and tolerances.

Based on the results of monitoring and reviews, decisions will be made on how the Risk Management Framework can be improved. These improvements should lead to improvements in the management of risk and its risk management culture.

## 10 Communication

The Risk Management Framework and Guidelines, Risk Management Policy, Risk Registers and associated documents and procedures will be held in a secure central repository and will be accessible to stakeholders according to their authority levels.

The existence, nature and location of the central repository will be shared with staff at all levels to encourage their awareness of how the organisation is managing its risks.

Following reviews of the Framework and Guidelines as specified any changes will be communicated to the relevant Risk Owners and other stakeholders to ensure that the Enterprise Risk Management process remains dynamic and relevant.

## **APPENDIX A – RISK APPETITE STATEMENT**

Council seeks to manage risk carefully. Risk appetite is the amount and type of risk that Council is prepared to pursue, retain or tolerate.

Council's overall risk appetite is 'risk adverse', however Council accepts the taking of calculated risks, the use of innovative approaches and the development of new opportunities to improve service delivery and achieve its objectives provided that the risks are properly identified, evaluated and managed to ensure that exposures are acceptable.

The following are examples of Council's risk appetite over the main areas of consequence:

### **Financial (Revenue & Costs)**

- There is no appetite for risks that have a significant negative impact on Council's long term financial sustainability.
- There is a moderate appetite for activities that may provide additional income streams or enhance economic diversity.

### **Information Technology & Data**

- We have a low appetite for system failures or information and data security breaches.

### **Infrastructure Assets / Property**

- Council has a low appetite for reputational risks that may result in complaints from the community around expectations regarding the maintenance or provision of facilities.

### **Environment**

- There is no appetite for the creation of new contaminated sites or activities that may lead to new sites.
- There is considerable appetite for decisions that promote ecologically sustainable development.

### **Operational / Business Continuity**

- We have a low appetite for operational risks arising from failure to meet customer commitments and/or suitability of advice.
- We have a low appetite for third party partner (contractors) failure.
- There is considerable appetite for improvements to service delivery.
- There is considerable appetite for improved efficiency of Council's operations.

### **Strategic / Corporate Governance – Reputation – Political**

- We have no appetite for internal fraud, collusion, theft and associated reputational risk.
- Council has no appetite for any misconduct based activities by Councillors, employees or external parties.
- We have a low appetite for risks arising from inadequately trained staff or failed internal processes.
- We have a medium appetite in terms of the operational risk associated with the implementation of change and key strategic plans.

### **Workplace Health & Safety**

- There is no appetite for compromising staff safety and welfare.
- There is a low appetite for activities that may affect public safety.

### **Legal Compliance, Regulatory & Liability**

- There is no appetite for non-compliance with legal, professional and regulatory requirements.

- There is no appetite for major breaches or activities that may result in successful litigation against Council or for the non-reporting of breaches to appropriate authorities once they are recognised.

<b>KEY:</b> considerable appetite / medium appetite / low appetite / no appetite
--

## **APPENDIX B – DOUGLAS SHIRE COUNCIL ENTERPRISE RISK MANAGEMENT POLICY**

### **Intent**

This policy demonstrates that Douglas Shire Council understands and manages risk and seeks to ensure that there is consistency to the methods used in assessing, monitoring and communicating risks across the organisation.

Council will maintain a program of strategic and operational risk management to ensure that the community and the Council are protected against loss by adding clarity to decision making. This will place Council in a position to capitalise on opportunities by providing a better understanding of the implications of decision over the long term.

### **Scope**

This policy applies to all areas across Council and applies to Councillors, employees, contractors and to any person or organisation that acts for or represents Douglas Shire Council.

Risk Management will be:

- Integrated into corporate and operational planning;
- Used as a critical business tool in decision making; and
- Used as a critical part of project management.

Key drivers for risk management include sound governance, legislative frameworks, decision making, environmental sustainability, social sustainability and financial sustainability.

### **Policy Statement**

Risk is inherent in all Council's business activities, programs, services, projects, processes and decisions. Douglas Shire Council is committed to the identification and management of all risks associated with the performance of Council functions and the delivery of Council services and embedding Enterprise Risk Management (ERM) as part of Council's governance framework to protect its employees, the general public, assets and the environment.

Council's approach to ERM is based on the Australian/New Zealand and International Standards AS/NZS ISO 31000:2018.

Douglas Shire Council recognises it has responsibility to identify and address all threats and opportunities associated with:

- a) The provision of a safe and healthy operating environment for all employees, the general public and other stakeholders involved with the provision and use of Council services and infrastructure; and
- b) The prudent management of Council property and resources on behalf of ratepayers; and

- c) The achievement of Council's corporate objectives to provide effective service to the public.

## Risk Management Principles

Management and employees must assume responsibility for ERM facilitated by the following guiding principles:

- a) **Adoption of a governance framework** – The Enterprise Risk Management Framework and Enterprise Risk Management Process Procedure outlines accountabilities and obligations and guides the implementation and ongoing monitoring of ERM throughout Council.
- b) **Adds Value** – Alignment and integration with Council's Corporate and Operational Planning and budget deliberation processes.
- c) **ERM is an integral part of organisation processes** – Management endorsed integration in all business processes.
- d) **ERM informs all decision making** – Decision makers are making informed decisions cognisant of relative risks.
- e) **ERM promotes a safer work environment** – Risk Management integrated with Council's Workplace Health and Safety, promoting safe work practices and a safer work environment.
- f) **Explicitly addresses uncertainty** – taking account of uncertainty, the nature of uncertainty and how it can be addressed.
- g) **Systematic, structured, timely and tailored.**
- h) **Based on best available information and experience** – Utilisation of generally accepted risk mitigation techniques for managing risks.
- i) **Transparent, inclusive and responsive to change** – Timely involvement of stakeholders.

## Definitions

TERM	DEFINITION
<b>CEO</b>	Chief Executive Officer A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position.
<b>Contractor</b>	A person, organisation or entity that performs a specific act or acts including the provision of services and/or materials to another person, organisation or entity under an agreement enforceable by law.
<b>Council</b>	Douglas Shire Council
<b>Employee</b>	Local Government Employee: (a) The Chief Executive Officer; or (b) A person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .
<b>Enterprise Risk Management (ERM)</b>	Enterprise risk management encompasses all the major risk categories (including financial, environmental, health and safety, fraud, information technology, compliance, security and business continuity) and includes the coordination, integration, consolidation and consistency of reporting by the various Council functions with identified risks.
<b>Enterprise Risk Management</b>	Councils adopted systems, processes and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving



TERM	DEFINITION
<b>Framework</b>	ERM throughout Council. The Framework provides an expression of intent on what, why and how risk is to be managed and shows how Council provides capacity to manage risks according to the intent.
<b>External Stakeholders</b>	Any individual or organisation that can impact, be impacted by, or perceive themselves impacted by, Council's objectives. For example: Council suppliers.
<b>Risk</b>	A risk to the business is any action or event that has an effect of uncertainty on objectives of Douglas Shire Council. It is measured in terms of consequence and likelihood.

## Roles and Responsibilities

All employees are responsible for identification and management of risk. Management are responsible for the devolution of the Risk Management Process and creation of an environment where managing risk forms the basis of all activities.

## Related Legislation

*Local Government Act 2009*

*Local Government Regulation 2012*

## Related Documents

Australian AS ISO 31000:2018 Risk Management – Guidelines

Risk Management Framework

Fraud and Corruption Control Policy

Annual Operational Plan

Internal Audit Plan

## Policy Review

This Policy will be reviewed when any of the following evaluations occur:

- The related information is amended or replaced
- Other circumstances as determined by Audit Committee, Management Team and / or Council.

## Policy Details

<b>Policy Name</b>	<b>Enterprise Risk Management Policy</b>
<b>Policy Number</b>	17
<b>Policy Version</b>	4
<b>Document Number</b>	810149
<b>Endorsed by</b>	Chief Executive Officer
<b>Policy Type</b>	Council

<b>Approval Authority</b>	Council
<b>Date Adopted</b>	
<b>Time Period</b>	Annually
<b>Review Date</b>	01/05/2022
<b>Policy Department</b>	Governance
<b>Link to Corporate Plan</b>	Robust Governance and Efficient Service Delivery
<b>Revoked/Superseded</b>	

**This policy is to remain in force until otherwise determined by Council.**

## APPENDIX C – RISK ASSESSMENT TEMPLATE

Enterprise Risk Management - Risk Assessment Template											
Division/Group					Date						
Department					Function/Activity						
Section											
Risk Type					Critical BCP Process			Yes/No			
Risk	Risk Category	L	C	Inherent Level of Risk	Inherent Priority Rating	Control Measures	L	C	Residual Level of Risk	Residual Priority Rating	

## APPENDIX D – RISK TREATMENT PLAN

Risk Number	Category	Description
Accountable Officer		

Date		Date					
Likelihood		Likelihood					
Conseq. Level		Conseq. Level					
Inherent Risk Rating		Residual Risk Rating					

Source of Risk: <i>(How might the risk arise?)</i>	
Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i>	
Performance Measure: <i>(How will you know the risk treatment is working?)</i>	
What is the plan?	
Resources Required: <i>(What physical, human or financial resources required?)</i>	
Associated Documents: <i>(InfoExpert Doc ID)</i>	
Timeline:	

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

Risk Assessment Matrix														
Likelihood	Rating	Consequence												
		1	2	3	4	5								
		Insignificant	Minor	Moderate	Major	Catastrophic								
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5								
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5								
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5								
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5								
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5								

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
1	Potential for ineffective financial management	Chief Financial Officer	<ul style="list-style-type: none"><li>- Lack of strategic planning</li><li>- Inappropriate staffing/management- Failure to monitor forward estimates / life-cycle costs / long-term financial sustainability</li><li>- Lack of asset management strategies/systems</li><li>- Poor Budget control</li><li>- Councillor decision-making</li><li>- Poor internal controls</li><li>- Poorly managed financial delegations</li><li>- Under insurance</li><li>- Lack of asset management strategies/systems</li></ul>	<ul style="list-style-type: none"><li>- Modified audit</li><li>- Budget overspend</li><li>- Reputation and community backlash</li><li>- Fraud</li><li>- Loss of significant investment income (contract work)</li><li>- Loss of confidence by Government Departments and regulatory bodies</li><li>- Additional scrutiny from regulatory bodies.</li></ul>	4	4	High L4/C4	<ul style="list-style-type: none"><li>- Regular budget monitoring and reviews as required</li><li>- Monthly Reporting</li><li>- 10 year financial modelling</li><li>- Audit (internal / external)</li><li>- Suitably qualified professional staff</li><li>- Asset management</li><li>- Adherence to all financial policies</li><li>- Financial system in place</li><li>- Separation of duties</li><li>- Documented internal controls and reconciliation processes</li><li>- Maintenance of Audit Matrix</li><li>- Enhanced organisation wide communication</li><li>- Accumulated historical data</li><li>- Ongoing refinement of business processes</li><li>- Availing of professional development and applicable networking opportunities</li><li>- Allocate sufficient funding to allow expert consultancy as required</li><li>- Appropriate delegations, reviewed and updated regularly</li><li>- Appropriately skilled and qualified staff</li><li>- Workforce planning</li><li>- Working with Audit Committee</li></ul>	2	3	Medium L2/C3	<ul style="list-style-type: none"><li>- Action audit matrix items as soon as practical</li><li>- Ongoing documentation of all internal controls and reconciliation processes</li><li>- Ongoing refinement of 10 year financial modelling</li><li>- Reliance on available historical data and trends to inform future budget forecasting</li></ul>	<a href="#">#431977</a>
2	Inability to effectively respond to and recover from disaster events	Manager Environment & Planning	<ul style="list-style-type: none"><li>- Planning and preparation not adequately undertaken</li><li>- Poor communication to community and within Council</li><li>- Community not aware of risk</li><li>- lack of community resilience</li><li>- Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone- / flood- / fire-proof</li><li>- Risk assessment of hazards not undertaken</li><li>- Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone- / flood- / fire-proof</li><li>- Major / prolonged loss of telecommunications- Lack of trained staff</li><li>- insufficient staff and resources</li><li>- staff fatigue</li><li>- Failure to plan and prepare</li><li>- Failure to adequately identify vulnerable populations</li><li>- Out of date or inadequate Disaster plans and sub-plans</li><li>- Cyclone shelter and evacuation centres not prepared or adequately identified</li><li>- lack of appropriate equipment or inadequate maintenance</li><li>- Insufficient or incorrect data intelligence</li><li>- Demands from other agencies detracts from tasks at hand</li><li>- Media sensationalism</li></ul>	<ul style="list-style-type: none"><li>- Potential Loss of life and injury</li><li>- Financial/economic loss</li><li>- Delay in recovery across human and social, economic, roads and transport, infrastructure and environmental spheres</li><li>- Loss of reputation - incursion of significant costs that can't be claimed</li><li>- Lack of communication</li><li>- Reduced Financial Stability</li></ul>	4	4	High L4/C4	<ul style="list-style-type: none"><li>- Local Disaster Management Group</li><li>- MOU with other NQ Councils.</li><li>- Preparation and annual reviews of Disaster Management Plan and sub-plans</li><li>- Trained personnel including backups for each position</li><li>- Appointment of dedicated Disaster Management Officer</li><li>- Dedicated resources including Council Incident Management Team and SES</li><li>- Disaster Coordination Centre appropriately set up and resourced</li><li>- Disaster management software (Guardian), Disaster Dashboard development, multiple communication mediums for communication with community - Infrastructure to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures</li><li>- Programs to build community resilience, planning and preparation</li><li>- Alternative communication systems (two way radio system, sat. phones, sat. texting)</li><li>- Staff trained in the Qld Reconstruction Authority methodologies</li><li>- Exercising of disaster plans and building relationships with agencies</li><li>- Community engagement and resilience development</li><li>- Collaboration with other agencies</li><li>- Local Disaster Management Officer Network</li><li>- Get Ready Program for resilience training</li></ul>	2	4	Medium L2/C4	<ul style="list-style-type: none"><li>- Documentation of plans (Disaster management &amp; Sub-plans), exercising of the plans and review and update of the plans</li><li>- Continued recruitment activity for IMT and development of the IMT through training</li><li>- LDMG selection and training</li><li>- Employment of dedicated Disaster Management Officer</li><li>- Councillor education</li><li>- Ongoing risk assessment and implementation of mitigation measures both Capital (e.g. causeway program) and operational</li><li>- Development of communication systems including the Disaster Dashboard, text and email capacity</li><li>- Improvements through cloud based disaster software (Guardian)</li><li>- Undertaking reviews of vulnerable populations and the impacts of climate change on existing studies/risks</li><li>- Disaster Coordination Centre appropriately set up and resourced</li><li>- Continued development of multiple communication mediums for communication with community</li><li>- Program of infrastructure development to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures</li><li>- Programs to build community resilience, planning and preparation</li><li>- Alternative communication systems within Council (two way radio system, sat. phones, sat. texting)</li><li>- Staff trained in the Qld Reconstruction Authority methodologies</li><li>- Exercising of disaster plans and building relationships with agencies</li><li>- Development and use of forecasting system (including ne BOM methodologies</li></ul>	<a href="#">#431983</a>

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
3	Failure of Corporate Business Systems	Chief Financial Officer	<ul style="list-style-type: none"><li>- Major / prolonged loss of telecommunications</li><li>- Cyclone / flood / fire damage to critical IT infrastructure</li><li>- Old / unpatched software &amp; infrastructure with known or unknown security vulnerabilities</li><li>- Cyber attack to network &amp; or corruption of data due to malware- Reduced capacity to afford and implement hardware / software upgrades</li><li>- Inadequate system's security / poor access controls &amp; approval practises</li><li>- The organisation's IT environment grows to exceed the capacity of current IT resources to deliver and maintain</li><li>- Lack of trained staff across the organisation</li><li>-Inadequate/untested Business Continuity Plan</li><li>-Audit logs on critical IT systems and processes not maintained</li><li>- Pace of change in computer (hardware / software) technology</li><li>-Licences and permits not maintained</li><li>-Institutional IT system configurations, communication and data flows not documented</li><li>- IT assets and systems not prioritised based on their classification, criticality and institutional value</li><li>-Critical data breach</li><li>-Failure to ensure strategic direction for IT operations including relevant stakeholders</li><li>-Inadequate policies and procedures</li><li>-Insufficient IT staffing</li></ul>	<ul style="list-style-type: none"><li>- Inability to conduct core business</li><li>- Financial impacts</li><li>- Reputation and community backlash</li><li>- Loss of critical information</li><li>- Unexpected diversion of resources to remedial efforts</li></ul>	3	4	High L3/C4	<ul style="list-style-type: none"><li>- Plan, Build &amp; Test a Disaster Recovery environment at an alternate location for core IT systems</li><li>- Maintenance of system backups (on &amp; off site)</li><li>- Standby generator</li><li>- Budgeting for routine maintenance, disaster recovery testing as well a upgrades, including any external assistance</li><li>- Maintain high levels of System Security and access approval procedures.</li><li>- Document and test business continuity processes</li><li>- Frequent notification security risks provided by State Government</li><li>- Up skilling of all staff in IT.</li><li>- Highly skilled IT team with contemporary knowledge</li><li>- Ensuring all approved IT activities are within the capacity of current IT resources to deliver</li><li>- Ensure there is capacity to operate and maintain new services as part of the ICT governance approval process for new services.</li><li>- Regular meetings of the IT Steering group to monitor risks &amp; progress to plan of routine maintenance &amp; governance activities</li></ul>	2	3	Medium L2/C3	<ul style="list-style-type: none"><li>- Continue to operationalise the ICT Governance framework</li><li>- Ensure the IT budget, work plan &amp; resources is sufficient to maintain and operate the environment to meet the performance measures above</li><li>- Establish off-site storage of local backups</li><li>- Establish a hot disaster recovery environment for core systems</li><li>- Continue the implementation / upgrade of approved Civica software modules</li><li>- Outsource non-core IT functions as needed</li><li>- Cross-train all IT staff</li><li>- Continue the development of the Business Continuity Plan and in particular the IT sub-plan.</li><li>- Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment</li></ul>	<a href="#">#431988</a>
4	Loss of public confidence (majority of population) and credibility in Councillors, staff and organisation	Manager Governance	<ul style="list-style-type: none"><li>- Failure to work within budgets and to deliver on major projects and capital works</li><li>- Failure to prepare adequately for natural disasters/events and to maintain an adequate business continuity plan</li><li>- Inconsistent messages being delivered to public via media and other channels</li><li>- Lack of transparency in decision making and inappropriate or ill-informed decisions</li><li>- Statutory non-compliance</li><li>- Lack of professional expertise</li><li>- Lack of probity</li><li>- Inappropriate disclosure of confidential information</li><li>- Disunity amongst elected members</li><li>- Failure to clearly articulate Council's long term vision and long term financial planning</li><li>- Incorrect information on public facing institutional resources (e.g. website, social media streams)</li><li>- Lack of understanding community needs and diversity</li><li>- Lack of connection with Indigenous culture</li></ul>	<ul style="list-style-type: none"><li>- Loss of staff</li><li>- Low morale &amp; lack of pride in staff and community</li><li>- Jeopardising opportunities for funding</li><li>- Rising level of complaints</li><li>- Reactive management style</li><li>- Loss of confidence and additional scrutiny from regulators</li></ul>	3	4	High L3/C4	<ul style="list-style-type: none"><li>- Strong governance structures in place promoting open communication and a high level of trust across Council</li><li>- Comprehensive project management and project reporting in place</li><li>- Delivery of services in accordance with the Customer Service Charter</li><li>- A strong working relationship between senior officers, Mayor and Councillors</li><li>- Become an employer of choice to attract highly skilled professionals</li><li>- Maintain appropriate professional development for Councillors and staff</li><li>- Proactive, transparent and timely communication with media and community</li><li>- Development of an organisational culture of accountability</li><li>- Actively promote Council's Procurement practices</li></ul>	2	3	Medium L2/C3	<ul style="list-style-type: none"><li>- Continue to develop a skilled and experienced workforce that respects and values Douglas as a workplace of choice.</li><li>- Ongoing development of a culture of openness, trust and accountability in which all staff are valued.</li><li>- Ensure all aspects of administrative management and compliance are structured in accordance with statutory obligations, and appropriate delivery frameworks.</li><li>- Develop and utilise the new five year Corporate Plan including Visions and Values</li><li>- Provide opportunities for learning and professional development to staff and Councillors.</li><li>- Encourage community critique and comment of all aspects of Council's functions and operations.</li><li>- Reconciliation Plan</li></ul>	<a href="#">#432035</a>

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
5	Inadequate compliance with WHS systems	Manager People & Community Services	<ul style="list-style-type: none"><li>- Non-compliance with WHS requirements</li><li>- Lack of procedures</li><li>- Lack of skills / training</li><li>- Inadequate budget</li><li>- Poor monitoring and review of systems</li><li>- Lack of ownership of WHS responsibilities and development of a WHS responsible culture within the organisation</li><li>- Lack of leadership / senior management support</li><li>- Failure to provide a safe environment</li><li>- Safety issues due to higher hazard environments e.g. swimming pools, remote work</li><li>- High risk activities such as events</li></ul>	<ul style="list-style-type: none"><li>- Workers compensation premiums increase</li><li>- Financial loss</li><li>- Increase workplace injury, illness, and death</li><li>- Litigation</li><li>-public injury or loss of life</li></ul>	5	3	High L5/C3	<ul style="list-style-type: none"><li>- WHS Advisors to utilise resources available (e.g. WHS Reps)</li><li>- WHS programme</li><li>- Training</li><li>- Audits including self assessments</li><li>- Quarterly Action Plans (including relevant Tool Box Talks and hazard Inspection)</li><li>- Ensuring adherence to rectification action plans</li><li>- Embedding a safe work culture in day to day operations</li><li>- Promote the benefit of reporting of near miss incidents to prevent future incidents</li><li>- Better utilisation of available data to inform decision making</li><li>- Insurance for Senior Leaders</li></ul>	3	3	High L3/C3	<ul style="list-style-type: none"><li>- Continued roll out Safeplan</li><li>- Maintain enhanced WHS meeting structures</li><li>- Maintenance of corporate induction program including safety component for all new staff</li><li>- Continued safety training for all staff</li><li>- Ongoing education of employee responsibilities to WHS</li><li>- Monitoring and reviewing of incidents/progress of MAPs</li><li>- Monthly reporting of WHS to WHS Committee (including Reps and Managers/GMs)</li><li>- Rollout of electronic safety management system (Mango)</li><li>- Establish close working relationship with JLT WHS Consultants</li><li>- Educate Councillors on risk</li></ul>	<a href="#">#432037</a>
6	Failure to comply with statutory and legal organisational obligations and responsibilities	Manager Governance	<ul style="list-style-type: none"><li>- Lack of relevant experience</li><li>- Cost shifting by the State in devolving functions to local government without adequate resources and training</li><li>- Lack of appropriate consultation</li><li>- Inadequate systems to capture and distribute information</li><li>- The pace of change of legislation</li><li>- High staff turnover in senior roles</li><li>- Lack of understanding of what the statutory and legal organisational obligations and responsibilities are. (E.g. W&amp;WW permit compliance for the environment and to community.)</li><li>-public liability of DSC properties tenanted by individuals/clubs not on lease or permits</li></ul>	<ul style="list-style-type: none"><li>- Financial exposure</li><li>- Possible fines and breaches</li><li>- Illegal action (State backlash)</li><li>- Reputation and public image</li><li>-insurance cost increase</li><li>-legal risks to DSC and staff</li><li>-ownership legalities</li></ul>	4	4	High L4/C4	<ul style="list-style-type: none"><li>- Attendance at appropriate training, seminars and regional forums</li><li>- Recruiting and retaining suitably qualified or experienced staff</li><li>- Audits - internal &amp; external</li><li>- Legal or relevant professional opinions as required</li><li>- Updates from LGAQ, LGMA or relevant state agencies</li><li>- Continual review of organisational structure</li></ul>	2	3	Medium L2/C3	<ul style="list-style-type: none"><li>- Ongoing review of Council policies</li><li>- Ongoing maintenance of adopted delegations register</li><li>- Continue to work with LGAQ, LGMA &amp; FNQROC</li><li>- Seek professional advice as appropriate regarding matters requiring statutory clarification</li><li>- Compliance with all audit requirements</li><li>- Adherence to statutory timelines</li><li>- Staff and Councillors' training in legal risks</li></ul>	<a href="#">#432038</a>
7	Reduction in revenue raising capacity	Chief Executive Officer	<ul style="list-style-type: none"><li>- Economic downturn (eg failure of sugar cane industry and/or decline in tourism causing inability to afford rates)</li><li>- Flow-on effects from economic downturn</li><li>- Loss of Federal/State Grants</li><li>- Loss of contract work (eg RMPC)</li><li>- Ineffective acquittal of grant funding</li><li>- Inappropriate financial decisions when determining revenue requirements</li><li>- Loss of industries or other key economic drivers</li><li>- Population and tourism decline</li><li>- Climate change and adverse media statements during weather events</li><li>- Insufficient resourcing to apply for funding</li></ul>	<ul style="list-style-type: none"><li>- Financial implications/loss</li><li>- Reduction in service levels</li><li>- Reduction in capital works</li><li>- Depletion of plant and equipment (assets)</li><li>- Reduction in maintenance</li><li>- Inability to maintain staffing positions</li></ul>	3	2	Medium L3/C2	<ul style="list-style-type: none"><li>- Review Fees and Charges to be competitive with similar council's</li><li>- Conduct networking and communication to preserve/develop relationships with stakeholders</li><li>- Strong budget controls</li><li>- High percentage of own-source revenue</li><li>- Strong financial position provides financial buffer and time to adjust service levels</li><li>- High quality internal controls</li><li>- Strong relationship with other source income suppliers</li><li>- Resources in Grants to attract more funding</li><li>- Advocate for State and Federal funds for agricultural and tourism industries</li><li>- Advocate and facilitate economic development</li><li>- Robust rates model</li></ul>	3	2	Medium L3/C2	<ul style="list-style-type: none"><li>- Maintain an equitable rating / charging strategy</li><li>- Maximise any other appropriate revenue opportunities</li><li>- Closely monitor budgets to ensure timely invoicing of all revenue is occurring (e.g. rates, fees and charges, grant/subsidy, progress claims etc.)</li><li>- Develop systems for tracking and obtaining Developer Contributions</li><li>- Obtain specialists' advices as required</li><li>- Develop more revenue raising opportunities</li></ul>	<a href="#">#432039</a>

Risk Assessment Matrix														
Likelihood	Rating	Consequence												
		1	2	3	4	5								
		Insignificant	Minor	Moderate	Major	Catastrophic								
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5								
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5								
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5								
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5								
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5								

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
8	Lack of capacity, skills or capabilities to meet emerging needs of organisation	Manager People & Community Services	<ul style="list-style-type: none"><li>- Lack of corporate knowledge due to turnover of staff</li><li>- Ageing workforce - higher retirement rate</li><li>- Lack of training and development</li><li>- Inappropriate staff culture</li><li>- Lack of succession planning</li><li>- Uncompetitive remuneration</li><li>- Shortage of skills within region</li><li>- Inability to attract appropriately skilled and experienced staff</li><li>-Staff fatigue during critical timeframes e.g. Carnivale</li><li>-Loss of confidence by Council staff in the Vision</li></ul>	<ul style="list-style-type: none"><li>- Failure to deliver operational requirements</li><li>- Inability to meet service needs</li><li>- Ineffective planning</li><li>- Missed opportunities</li><li>- Community backlash</li><li>- Financial implications</li><li>- Increased use of consultants</li><li>- A greater pressure on capable people</li></ul>	4	3	High L4/C3	<ul style="list-style-type: none"><li>- Commitment to training/professional development of staff</li><li>- Competitive remuneration packages</li><li>- Dedicated Human Resources and Training team</li><li>- Opportunities for secondments within organisation</li><li>- Opportunities for trainees and graduates</li><li>-Transition to retirement program</li><li>- Participation in networking groups e.g. FNQROC / Peak Services</li><li>- Partner with LGAQ &amp; LGMA</li></ul>	3	2	Medium L3/C2	<ul style="list-style-type: none"><li>- Ongoing improvement of Organisational culture</li><li>- Market Council as an employer of choice attracting candidates of a higher calibre</li><li>- Development and implementation of a Douglas Certified Agreement</li><li>- Long term planning (including succession planning)</li><li>- Continue to budget for transition to retirement roles</li><li>- Continue implementation of annual performance development reviews and annual review of position descriptions</li><li>- Greater utilisation of online training opportunities</li><li>- Continue to encourage multiskilling/cross training</li></ul>	<a href="#">#432041</a>
9	Failure to deliver projects	Manager Project Office	<ul style="list-style-type: none"><li>- Major disasters putting strain on resources</li><li>- Weather events effecting Quality, Cost and Time project measures</li><li>- Inadequate project management skills</li><li>- Poor financial management (budget overspend)</li><li>- Changing priorities (political change)</li><li>- Loss of funding opportunities</li><li>- Procurement process not followed</li><li>- Available market skillset</li><li>- Excessive commitments</li><li>- No capacity to borrow</li><li>- Regulatory environment</li><li>- Lack of trained personnel to satisfactorily plan and model infrastructure networks (inability to deliver projects to plan and within budget and within the correct contractual framework)</li></ul>	<ul style="list-style-type: none"><li>- Loss of contracts</li><li>- Financial loss</li><li>- Litigation</li><li>- Reputation loss</li><li>- Community backlash</li><li>- Create operational backlog</li></ul>	3	4	High L3/C4	<ul style="list-style-type: none"><li>- Project management systems and planning</li><li>- Project management training</li><li>- Dedicated resources in each group responsible for the delivery of projects</li><li>- Contingency plans</li><li>- Risk management plans</li><li>- Use of existing corporate knowledge</li><li>- Matching expectations to available resources</li><li>- Regular progress reporting and reviews (financial and project).</li><li>- Staged delivery (design, construct) appropriate to project complexity</li><li>- Prudent financial management</li><li>- Standardised FNQROC Procurement processes</li><li>- PMO to manage high risk or complex projects.</li><li>- Project planning documentation to be reviewed by qualified staff (Engineers) before release to public.</li><li>- Maintaining Capital Tracking PCG</li><li>- Maintain a Long Term Financial Plan</li></ul>	2	3	Medium L2/C3	<ul style="list-style-type: none"><li>- Introduce project management systems</li><li>- Procurement training</li><li>- Maintain a detailed 10yr CAPEX model to inform staged delivery</li><li>-Utilisation of Project Plan template</li><li>-Project Gantt Charts enacted</li><li>-Maintaining Asset Management Steering Committee to ensure sustainable long term financial management and prioritise projects for each financial year</li><li>-Skills gap identification and ongoing training programs</li><li>-Regular progress reporting and reviews (financial and project)</li><li>- Completion of consolidated work order program</li><li>-Councillor communication to inform on priorities and manage expectations</li><li>- Translate the Local Government Infrastructure Plan into specific projects identified in the 10yr CAPEX model</li><li>- Improve information management system</li><li>- PMO to be adequately staffed to match workload.</li></ul>	<a href="#">#432042</a>



Risk Assessment Matrix														
Likelihood	Rating	Consequence												
		1	2	3	4	5								
		Insignificant	Minor	Moderate	Major	Catastrophic								
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5								
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5								
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5								
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5								
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5								

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
10	Failure to deliver essential services (water, transport, sewerage, waste)	Manager Water & Wastewater	<ul style="list-style-type: none"><li>- Major equipment failure</li><li>- Weather event - cyclone, flood</li><li>- Failure of external service provider (e.g. Ergon, Telstra)</li><li>- Poor operational control</li><li>- Lack of qualified and experienced staff (e.g. transition of aging workforce)</li><li>- Insufficient qualified personnel to maintain delivery of these essential services</li><li>- Changes to legislation and standards</li><li>- Lack of planning</li><li>- Asset management (maintenance and renewal) insufficient planning, preventative maintenance and lack of funds available.</li><li>- Terrorist attack</li><li>- Not understanding the customer's expectations regarding service standards</li><li>- changes in legislative requirements with insufficient time to plan for the change</li><li>- Council expands service provision into 'non traditional' areas or forced to take on management through higher government responsibility shifting</li><li>- Disruption of services due to maintenance activities</li></ul>	<ul style="list-style-type: none"><li>- Penalty, fines</li><li>- Adverse publicity</li><li>- Reputational damage</li><li>- Health impact on residents</li><li>- Financial loss</li><li>- Political fallout</li><li>- Environmental damage</li><li>- Loss of asset</li></ul>	3	4	High L3/C4	<ul style="list-style-type: none"><li>- Suitably qualified and trained staff</li><li>- Business continuity plans</li><li>- Back up power supply at critical installations</li><li>- Counter disaster sub plans</li><li>- Asset management plans linked to long term financial plans</li><li>- Asset Management Plans reflect the service standards expected by the customer</li><li>- Review core business obligations</li><li>- Communication and collaboration with external providers</li><li>- Agreed service standards and maintenance intervals</li><li>- Regional agreements and alliances</li><li>-Local Government Infrastructure Plan</li><li>-Planning through long term modelling, integrated infrastructure and land use planning</li><li>- Appropriate contract management</li><li>- Implement appropriate security measures to protect essential assets</li><li>- Maintain the Emergency Water Action Group</li><li>-Managers sit as members of LDMG</li><li>- Staff trained in reporting through disaster management system</li><li>- Development of appropriate media releases</li></ul>	2	4	Medium L2/C4	<ul style="list-style-type: none"><li>-Attracting and retaining qualified staff</li><li>- Review service standards, legislation and maintenance intervals which will inform LGIP, modelling and integrated infrastructure and land use planning</li><li>- Asset Management Steering Committee to oversee asset management requirements and priorities</li><li>- Identify disaster mitigation measures and regularly exercise</li><li>- Multiskilling the workforce through cross training and team rotation</li><li>- Conduct security risk assessment and audit</li><li>- Engage with customers to understand service expectations</li><li>- Complete robust 'whole of life' business cases where new or expanded service delivery is expected to help inform decision makers</li><li>- Asset renewal funding linked to 10 year CAPEX and long term financial planning</li><li>- Implement effective asset management software to manage and track assets</li></ul>	<a href="#">#432043</a>
11	Political risks	Chief Executive Officer	<ul style="list-style-type: none"><li>- Councillors breaching the Councillors' Code of Conduct</li><li>- Councillors engaging in misconduct or inappropriate conduct</li><li>- Councillors actively undermining the work of the administration</li><li>- Councillors acting outside their area of responsibility</li><li>- Councillors inappropriately engaging in operational matters</li><li>- CEO or officers breaching the Code of Conduct</li><li>- CEO or officers acting unlawfully</li><li>- CEO or officers failing to act in accordance with Council's direction</li><li>- Increased regulatory environment</li><li>- Social media environment</li><li>- Change of Council due to Local Government elections leads to lack of knowledge</li></ul>	<ul style="list-style-type: none"><li>- Poor and inappropriate decision making</li><li>- Loss of staff and/or loss of morale</li><li>- Service interruption</li><li>- Loss of credibility/confidence by community</li><li>- Litigation</li><li>- Inefficient utilisation of resources</li></ul>	4	4	High L4/C4	<ul style="list-style-type: none"><li>- Strong leadership</li><li>- Ongoing training – Councillors and officers</li><li>- Transparent governance processes</li><li>- Clear policies and procedures</li><li>- Adherence to Councillor/Staff Interaction Protocol</li><li>- Open and frank communication between Councillors and CEO, and in Council workshops</li><li>- Frequent provision of comprehensive information to the community.</li><li>- PID and complaint procedures are reviewed and in place</li></ul>	3	3	High L3/C3	<ul style="list-style-type: none"><li>- Management of Councillor, CEO and officer conduct strictly in accordance with legislation and adopted policies</li><li>- Identification and implementation of required professional development training</li><li>- Provision of a broad range of unbiased and factual information to Councillors and the community to ensure all are well informed</li><li>- Provision of information to Mayor and Councillors to enable appropriate interaction with elected representatives at Local, Regional, State and Federal level</li><li>- Careful consideration of community issues and, in conjunction with Council, develop workable plans for resolution of same.</li><li>- Councillor induction and workshops maintained</li><li>- Review and update of Public Interest Disclosure (PID) - Complaints Policy</li><li>- Five Year Communications Strategy</li></ul>	<a href="#">#432044</a>

Risk Assessment Matrix														
Likelihood	Rating	Consequence												
		1	2	3	4	5								
		Insignificant	Minor	Moderate	Major	Catastrophic								
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5								
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5								
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5								
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5								
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5								

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
12	Failure to undertake lobbying and advocacy	Manager People & Community Services	<ul style="list-style-type: none"><li>- Council lacks ongoing relationship with stakeholders</li><li>- Failure to understand and identify appropriate stakeholders and community needs</li><li>- Unwillingness to engage and form necessary relationships</li><li>- Lack of skills / training</li><li>- Lack of planning</li><li>- Poor relationships with state and federal members of parliament</li></ul>	<ul style="list-style-type: none"><li>- Missed opportunities</li><li>- Failure to represent community adequately</li></ul>	2	3	Medium L2/C3	<ul style="list-style-type: none"><li>- Identification of relevant current and proposed Regional, State and Commonwealth policies and responsible agencies and potential impacts on Council's strategic planning and operational initiatives</li><li>- Identification of current relevant Regional, State and Federal issues and responsible Ministers and officers</li><li>- Close communication with Mayor and Council to determine community priorities and issues</li><li>- Presentation of reports to Council detailing options including advocacy and resources required</li><li>- Regular participation in Regional organisations and active membership in relevant associations (FNQROC, LGMA, LGAQ, Technical networks and committees</li><li>- Development of a sound reputation through participation in State and Commonwealth Government Inquiries</li></ul>	1	2	Low L1/C2	<ul style="list-style-type: none"><li>- Develop an organisational culture of strategic awareness - - Support and encourage officer initiatives within an identified advocacy framework</li><li>- Identify scheduled agency and regional meeting dates and ensure officer representation</li><li>- Ensure ongoing close communication between Mayor and CEO regarding current policy and political issues</li><li>- Prepare Mayoral briefing notes identifying key issues</li><li>- Monitor feedback from representative organisations</li><li>- Monitor and report feedback from Elected representatives and others.</li><li>- Train relevant officers in advocacy and community engagement</li></ul>	<a href="#">#432045</a>
13	Absence of essential records (contractual, required by legislation, corporate knowledge)	Manager Governance	<ul style="list-style-type: none"><li>- Poor staff knowledge of requirements</li><li>- Lack of consistent approach to record management (including records held by Councillors)</li><li>- Records held in stand alone systems</li><li>- Potential damage due to inappropriate physical storage</li><li>- Inadequate training of staff</li><li>- Inadequate policies and procedures regarding record filing and retention</li><li>- Inappropriate ICT platform leading to inconsistent filing of records</li><li>- Complex and unwieldy DMS will lead to staff to make their own procedures to get the job done</li></ul>	<ul style="list-style-type: none"><li>- Inability to meet legislative requirements</li><li>- Public image</li><li>- Potential financial consequences</li><li>- Potential litigation, fines</li><li>- Contract litigation</li><li>- loss of corporate knowledge</li><li>- Time loss due to operating in deficient DMS environment</li></ul>	4	4	High L4/C4	<ul style="list-style-type: none"><li>- Top down approach to correct record management practices</li><li>- Review of record keeping practices</li><li>- Review of record storage and back ups</li><li>- Commitment and ongoing training of staff and Councillors</li><li>- Increase user acceptance of EDRMS by structural improvements and a more flexible approach</li></ul>	3	3	High L3/C3	<ul style="list-style-type: none"><li>- Develop and adopt a more user friendly EDRMS</li><li>- Review current record keeping processes including stand alone systems</li><li>- Introduce more effective technology/systems making data capture easier and where possible automatic</li><li>- Streamline processes in records acceptance (e.g. central email addresses)</li><li>- Review current storage arrangements and retention</li><li>- Progress archiving of records</li><li>- Implement staff and Councillor training in record keeping legislation and Council's EDRMS</li></ul>	<a href="#">#432046</a>
14	Fraud and corruption	Chief Financial Officer	<ul style="list-style-type: none"><li>- Lack of strategic focus</li><li>- Lack of or poor internal control measures</li><li>- Inadequate management focus on internal controls</li><li>- Organisational culture/staff attitudes</li><li>- Outdated cultural norms</li><li>- Enabling/modelling poor ethical behaviour</li><li>- Confidentiality standards not maintained</li><li>- Inadequate understanding of conflict of interest/material personal interest</li><li>- Recruitment – lack of relevant checks e.g. police, refs</li><li>- Inappropriate staffing/management</li><li>- Ineffective policies and procedures</li><li>- Poorly managed delegations</li><li>- Lack of asset management systems</li></ul>	<ul style="list-style-type: none"><li>- Financial loss</li><li>- Further deterioration of organisational culture</li><li>- Reputational damage</li></ul>	4	4	High L4/C4	<ul style="list-style-type: none"><li>- Strong commitment demonstrated by the Management Team</li><li>- Councillors promoting ethical behaviour to set the tone</li><li>- Strong internal controls and documented procedures</li><li>- Appropriate segregation of duties and delegations</li><li>- Internal audit program with initial focus on high risk areas</li><li>- External audit program</li><li>- Mandatory Staff training and regular awareness sessions</li><li>- Investigation of allegations undertaken by competent staff and/or industry professionals as required</li><li>- Robust corporate induction program</li><li>- Implement actions from Fraud and Corruption Control Plan</li></ul>	3	4	High L3/C4	<ul style="list-style-type: none"><li>- Maintain and review Fraud and Corruption Control Plan</li><li>- Continual review and enhancement of internal controls</li><li>- A relevant training program implemented – mandatory at induction and annually</li><li>- Ongoing assistance through internal audit plans to enhance fraud and corruption controls/training</li><li>- Develop an Audit Committee</li></ul>	<a href="#">#767305</a>