Risk Management Guidelines

Policy Details

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Supporting documentation

Legislation	• *Local Government Act 2009* • *Local government Regulation 2012*
Policies	• Risk Management Policy
Delegations	• Nil
Forms	• Risk Assessment Template • Risk Management Action Plan
Supporting Documents	• Corporate Plan 2021 - 2025

Version History:

Version	Adopted	Comment	eDRMS #
2	15/06/2022	Council Resolution 0622/015	
1	11/08/2015	Enterprise Risk Management Guidelines	GDL_I_EXGC

Contents

Intent

The purpose of these guidelines is to provide Council with a framework for identifying and managing risks across the organisation.

Scope

This guideline applies to Councilors and Council staff.

Contractors, committees, and volunteers engaged in the provision of Council services, or the management of Council facilities and assets, are also required to comply with this policy.

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. Carpentaria 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.

Carpentaria 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.

- 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 the risk management throughout Council.

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 Carpentaria 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 and this process is outlined in this document which has been developed to align with the Australian Standard AS ISO 31000:2018 Risk management – guidelines.

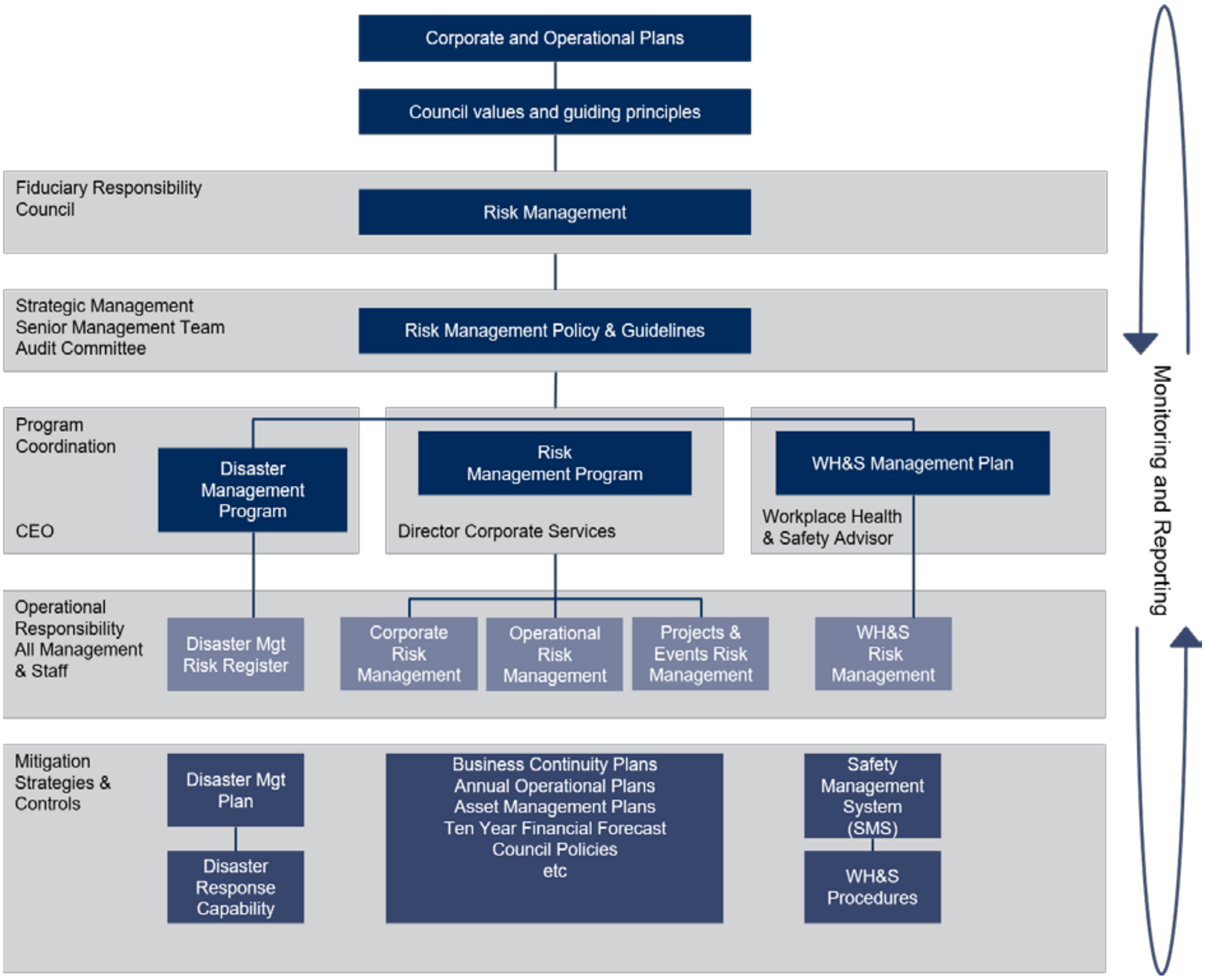
Risk Management Principles

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

a) **Integrated** – Risk management is an integral part of all organisational activities.
b) **Structured and comprehensive** – A structured and comprehensive approach to risk management contributes to consistent and comparable results.
c) **Customised** – The risk management framework and process are customised and proportionate to the origination's external and internal context related to its objectives
d) **Inclusive** – Appropriate and timely involvement of stakeholders enables their knowledge, views, and perceptions to be considered. This results in improved awareness and informed risk management.
e) **Dynamic** – Risks can emerge, change, or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges, and responds to those changes and events in an appropriate and timely manner.
f) **Best available information** – The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear, and available to relevant stakeholders.
g) **Human and cultural factors** – Human behaviour and culture significantly influence all aspects of risk management at each level and stage.
h) **Continual improvement** – Risk management is continually improved through learning and experience.

Risk Management Framework

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



Basis, Roles and Responsibilities

Please refer to Council's Risk Management Policy (Appendix A), available on Council's website www.carpentaria.qld.gov.au

Risk Management Process

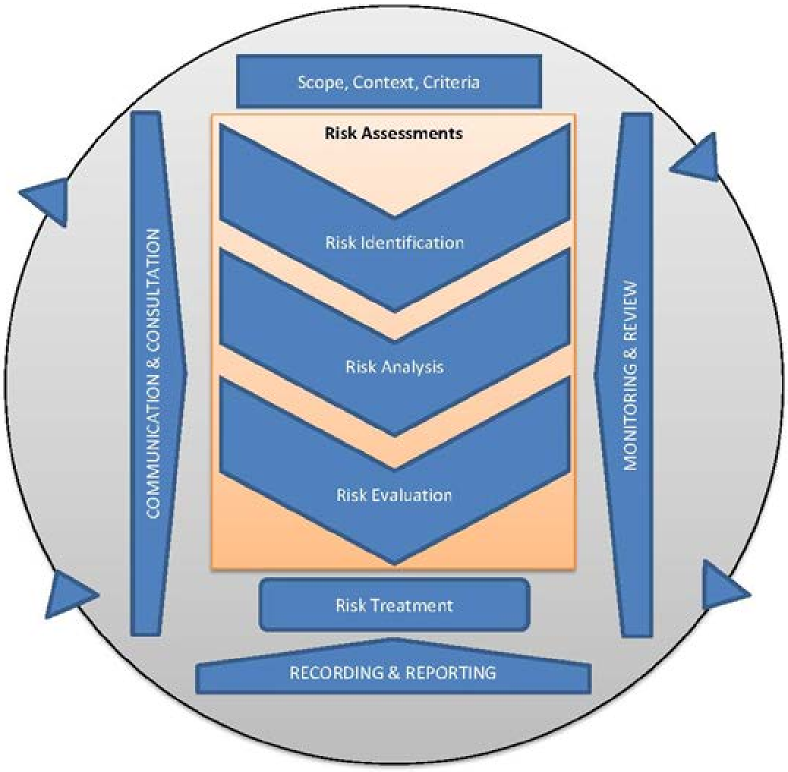
The process adopted by Carpentaria Shire Council to manage risks is in accordance with *AS ISO 31000:2018 Risk management – Guidelines*. This process is the application of the structured risk management methodology to be used to assess; prioritise; treat and monitor risks identified. The risk management process may capture inherent risk (prior to considering controls in place), residual risk (after considering controls in place), or both.

The main elements of an effective Risk Management approach are as follows:

- Communicate and Consult
- Establish the Context
- Risk Assessment

- Identify Risks
    - Analyse Risks
    - Evaluate Risks
- Treat Risks
- Monitor and Review

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



Source: Australian Standard ISO 31000:2018 Risk management – Guidelines

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 stakeholder individual or group. Communication and consultation are necessary at every stage of the Risk Management process.

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.

In establishing the context for these Risk Management Guidelines, existing risk management processes were reviewed, interviews and workshops were held with key personnel and a Risk Management Policy was developed. (Refer to Appendix A for Council's Risk Management Policy).

Risk Assessment

Risk Appetite Statement

Carpentaria Shire Council's (Council) Strategic objectives are to provide services and assets responsibly through building and maintaining quality infrastructure, strong governance, protecting our people and environment, strong vibrant communities, proactive, engaged leadership, supporting our local community, and providing a workplace of excellence.

Council has an obligation to the community to ensure that it does not accept high levels of risk that might impact on community wellbeing, amenity or the ongoing sustainability and viability of Council. Accordingly, Council generally has a low appetite for unmitigated risks across all of its operations, assets and objectives. However, to encourage growth in the region, Council may need to take some calculated risks to ensure that infrastructure and services meet the needs of its current and future communities.

At Council we are committed to creating an environment where all workers assume responsibility for risk management, through standardised risk management processes and practices.

As an organisation we seek to balance our risk position between investing in risky activities that may drive substantial growth and opportunity whilst maintaining a stable organisation with the capacity to continue to work for our community long into the future.

Council has no tolerance for risks that may compromise the safety and welfare of staff, the community, contractors and volunteers. Similarly, Council has no appetite for risks that cause significant and irreparable damage to the environment and seeks to preserve and enhance it for future generations.

Therefore, our risk appetite is necessarily towards the middle of the risk-taking spectrum to ensure opportunities are maximised by effectively managing risks. As a dynamic organisation we may choose to increase or decrease our appetite for higher risk activities depending on the viability of our position.

The appetite for risk is described in the table below against our risk criteria:

Risk Criteria	**Risk Appetite**
Health & Safety	We seek to ensure that our people work in a safe environment. However, we acknowledge accidents occur. We have zero appetite for medium to major risks that could affect our people.

Risk Criteria	Risk Appetite
Organisation Reputation	Our reputation for transparency, integrity, and competence should not be compromised with our key stakeholders and Government. There should be no incidences of major breaches of our integrity.
Service Delivery	We have a low tolerance for the interruption to critical services where vulnerable members of our community are affected.
Financial	Our appetite for operational financial risk is high providing that the opportunity or return provides a demonstrated benefit or return for the organisation/community.
Legal/Regulatory Compliance	We have a low tolerance for compliance breaches. While minor breeches may occur from time to time due to the complexity of our business, there is no appetite for statutory breaches at any time.
Corporate Information	Our priority data is core to our organisation. We have zero appetite for loss of priority 1 and 2 data or unauthorised access to sensitive/private information.
Infrastructure Assets	We have a moderate tolerance for the loss of assets and infrastructure providing that the impact is short term, and the asset/infrastructure is not defined as critical.
Organisation	We have a minor appetite for risks associated to organisational satisfaction. We have a zero appetite for significant to high risks that could result in strike of key personnel that exceeds four (4) weeks or increase in turnover of staff of more than 25% in increase in absenteeism by more than 15%-25%.

Risk Identification

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 carried out 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:

- **Safety** – injuries, lost time, LGW & LGM claims, fatalities
- **Reputation and image** – negative media exposure, staff morale, community perception
- **Assets** – damage or loss of information, property, or assets

- **Environment** – impact or harm to natural environment, potential for future damages claims and DES prosecution
- **Service Delivery** – ability to service the community and meet customer expectations
- **Regulatory** – breaches of legislation (“ignorance is no excuse”)
- **Management effort** – senior management effort directed away from achieving strategic objectives and impacting on overall performance (i.e., focused on day-to-day tasks)

Risk Analysis

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 must remember that some events happen once in a lifetime, other can happen almost every day. Judgement is required to determine the possibility and frequency that the specific risk is likely to occur.

Likelihood Table

Rating	Description	Indicative Frequency Valules	Description	Probability
1	**Rare**	Event may occur once in every 50 to 100 years	The event may occur only in exceptional circumstances.	<5%
2	**Unlikely**	Event may occur once between 10 to 50 years	Event could occur at some time but is not considered likely.	<35%
3	**Possible**	Event may occur once in every 3 to 10 years.	The event might occur at some time.	>35%
4	**Likely**	Will probably occur on one occasion in the coming year.	The event will probably occur in most circumstances.	>65%
5	**Almost Certain**	Greater than one or more per annum.	The event is expected to occur in most circumstances.	>95%

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
Insignificant	An event, where the impact can be absorbed; no injuries; low financial loss
Minor	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
Moderate	A significant event, which can be managed under normal circumstances; medical treatment; medium financial loss
Major	A critical event, which with proper management can be continued; extensive injuries; loss of production capability; major financial loss
Catastrophic	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	Operational – Business Continuity	Environmental	Information Technology	Strategic/Corporate Governance – Reputation - Political	Human Resources	Infrastructure, Asset & Property	Workplace Health & Safety	Financial and Economic	Management Effort
Catastrophic	**5**	The continuing failure of Council to deliver essential services. The removal of key revenue generation. Loss of grant funding.	Widespread and irreversible environmental damage attributed by the courts to be negligent or incompetent actions of Carpentaria Shire Council.	Widespread, long-term loss of IT network/ hardware.	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.	Staff issues cause continuing failure to deliver essential services.	Widespread, long-term loss of substantial key assets and infrastructure.	Fatality or significant irreversible disability.	Huge financial loss, for example: >$1M of revenue or budget; and/or Economic loss of a very large business or ratepayer and flow on effects.	A critical event or disaster that could lead to the collapse of the business.
Major	**4**	Widespread failure to deliver several major strategic objectives and service plans. Long-term failure of Council causing lengthy service interruption.	Severe environmental impact requiring significant remedial action. Penalties and/or direction or compliance order incurred.	Widespread, short to medium term loss of IT network/ hardware.	State media and public concern/ exposure with adverse attention and long-term loss of support from Carpentaria Shire residents. Adverse impact and intervention by State Government.	Staff issues cause widespread failure to deliver several major strategic objectives and long-term failure of day-to-day service delivery.	Widespread, short to medium term loss of key assets and infrastructure.	Extensive injuries. Lost time of more than 4 working days.	Major financial loss, for example: $500,000 to $1M of revenue or budget; and/or Economic loss of 4 large businesses or ratepayers and flow on effects.	A critical event that with appropriate management can be overcome.
Moderate	**3**	Failure to deliver minor strategic objectives and service plans. Temporary & recoverable failure of Council causing intermittent service interruption for a week.	Moderate impact on the environment; no long term or irreversible damage. May incur cautionary notice or infringement notice.	Short to medium term loss of key IT network/ hardware.	Significant state-wide concern/ exposure and short to midterm loss of support from Carpentaria Shire residents. Adverse impact and intervention by another local government & LGAQ.	Staff issues cause failure to deliver minor strategic objectives and temporary and recoverable failure of day-to-day service delivery.	Short to medium term loss of key assets and infrastructure.	Medical treatment. Lost time of up to 4 working days.	High financial loss, for example: $250,000 to $499,999 of revenue or budget; and/or Economic loss of 2 large businesses, or 6 medium businesses and flow on effects.	A significant event which can be managed under normal circumstances.
Minor	**2**	Temporary and recoverable failure of Council causing intermittent service interruption for several days.	Minor environmental damage such as remote temporary pollution.	Minor loss/damage. Repairs required	Minor local community concern manageable through good public relations. Adverse impact by another local government.	Staff issues cause several days interruption of day-to-day service delivery.	Minor loss/damage. Repairs required.	First aid treatment. No lost time.	Minor financial loss, for example: $50,000 to $250,000 of revenue or budget; and/or Economic loss of 6 small businesses and flow on effects.	An event, the impact of which can be absorbed, but management effort is required.
Insignificant	**1**	Negligible impact of Council, brief service interruption for several hours to a day.	Brief, non- hazardous, transient pollution, or damage.	Damage where repairs are required however equipment still operational.	Transient matter, e.g., Customer complaint, resolved in day-to-day management. Negligible impact from another local government.	Staff issues cause negligible impact of day-to-day service delivery.	Damage where repairs are required however facility or infrastructure is still operational.	No injury.	Low financial loss, for example: Below $50,000; and/or Economic loss of 2 small businesses.	An event the impact of which can be absorbed through normal activity.

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**	**M52**	**H64**	**E76**	**E88**	**E100**
Likely	**4**	**M44**	**H56**	**H68**	**E80**	**E92**
Possible	**3**	**L36**	**M48**	**H60**	**E72**	**E84**
Unlikely	**2**	**L28**	**L40**	**M52**	**H64**	**E76**
Rare	**1**	**L20**	**L32**	**M44**	**H56**	**H68**

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 in this Risk Evaluation stage is to determine the effectiveness, and or existence of, controls in place to address the identified risks.

This can lead to a decision to: -do nothing further; -consider risk treatment options; -undertake further analysis to better understand the risk; -maintain existing controls; -reconsider objectives.

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

Control Assessment	Description
Excellent	• Effective treatments implemented, communicated, and monitored on a regular basis to determine the level of effectiveness.
Adequate	• Controls are well documented and implemented

Control Assessment	Description
	• The controls address the identified risk and there is little scope for improvement • There is no convincing cost/benefit justification to change the approach.
Fair	• Controls have been determined, but not well implemented, documented, or monitored to determine their level of relevance.
Opportunities for Improvement	• Information is inconsistent, not well communicated, implemented in an ad hoc manner • The controls contain some inadequacies and scope for improvement can be identified • There is some cost/benefit justification to change the approach.
Inadequate/Poor	• The controls do not appropriately address the identified risk and there is an immediate need for improvement actions. • There is a significant cost/benefit justification to change the approach.

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.

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 B for a Risk Register 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 (Carpentaria below) will highlight to the CEO and senior executive the key risk exposures and number of risks within each rating range across the organisation. The risks will be categorised as **Extreme, High, Medium, 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

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 general guide the following risk treatment options are available:

- **Avoid the risk** - decide not to proceed with the policy, program or activity or choose an alternative means of action.
- **Retain the risk** – by informed decision. Where the risk cannot be avoided, reduced, or transferred. In such cases, usually the likelihood and consequence are low. These risks should be monitored, and it should be determined how losses, if they occur, will be funded.
- **Transfer or share the risk** – involves shifting all or part of the responsibility to another party who is best able to control it (such as an insurer who bears the consequence of losses e.g., Motor vehicle insurance for Council vehicles).
- **Remove the risk source**
- Control the risk – by either reducing the likelihood of occurrence and/or the consequences (e.g., implement procedures for specified tasks.
- **Take of Purse the risk** – where a risk presents an opportunity a decision may be taken to enhance, accept, work with, or purse the risk.

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 be considered).
- 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 Director or CEO 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 Carpentaria 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 to also be considered to ensure that no new risks are introduced.

Escalation Plan

We will introduce procedures 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.

The approach for treatment of risks is:

Risk Level	Action Required
Extreme	• Develop specific management plan for immediate implementation to address extreme risks • Allocate actions and budget for implementation within quarterly budget reviews • Report immediately to executive management team. Regular internal reporting required
High	• Develop and implement a specific management plan for high risks • Allocate actions and budget to minimise risk. Monitor implementation • Report to executive management team within the half yearly budget review. Regular internal reporting
Medium	• Develop and implement a specific management plan for medium risks • Allocate actions and budget to minimise risk where existing controls deemed inadequate. Monitor implementation • Report to executive management team within the annual budget review • Management to consider additional controls. Report within the quarter
Low	• Accept and monitor low-priority risks • Manage via routine procedures where possible. Monitor via normal internal reporting mechanisms

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 Carpentaria 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.

Recording and Reporting the Risk Management Process

The accurate and timely reporting and recording of risks is essential to the effectiveness of the risk management framework. 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.

Review

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 (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 the risk management culture.

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.

Definitions

TERM	DEFINITION
Risk	Risk is defined as effect of uncertainty on objectives. A risk to the business is any action or event that has the potential to impact on the achievement of our corporate 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 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 department of Council 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 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

TERM	DEFINITION
	which they are responsible, however they are ultimately accountable for the risks allocated to them.
Risk Treatment	The process to modify existing risks or create 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 working.

Adopted by Council 15 June 2022 by Resolution 0622/015.

Mark Crawley

Mark Crawley
Chief Executive Officer

Appendix A

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 B

Risk Management Action Template

Risk ID No	**Description**	**Risk Event** *What might happen?*	**Source of Risk** *How might the risk arise?*	**Risk Treatment** *What can be done to avoid the risk, control, transfer or finance the risk?*	**Resources Required** *What physical, human, or financial resources required*	**Performance Measure** *How will you know the risk treatment is working?*	**Timeline**	**Responsibility** *Name and position*