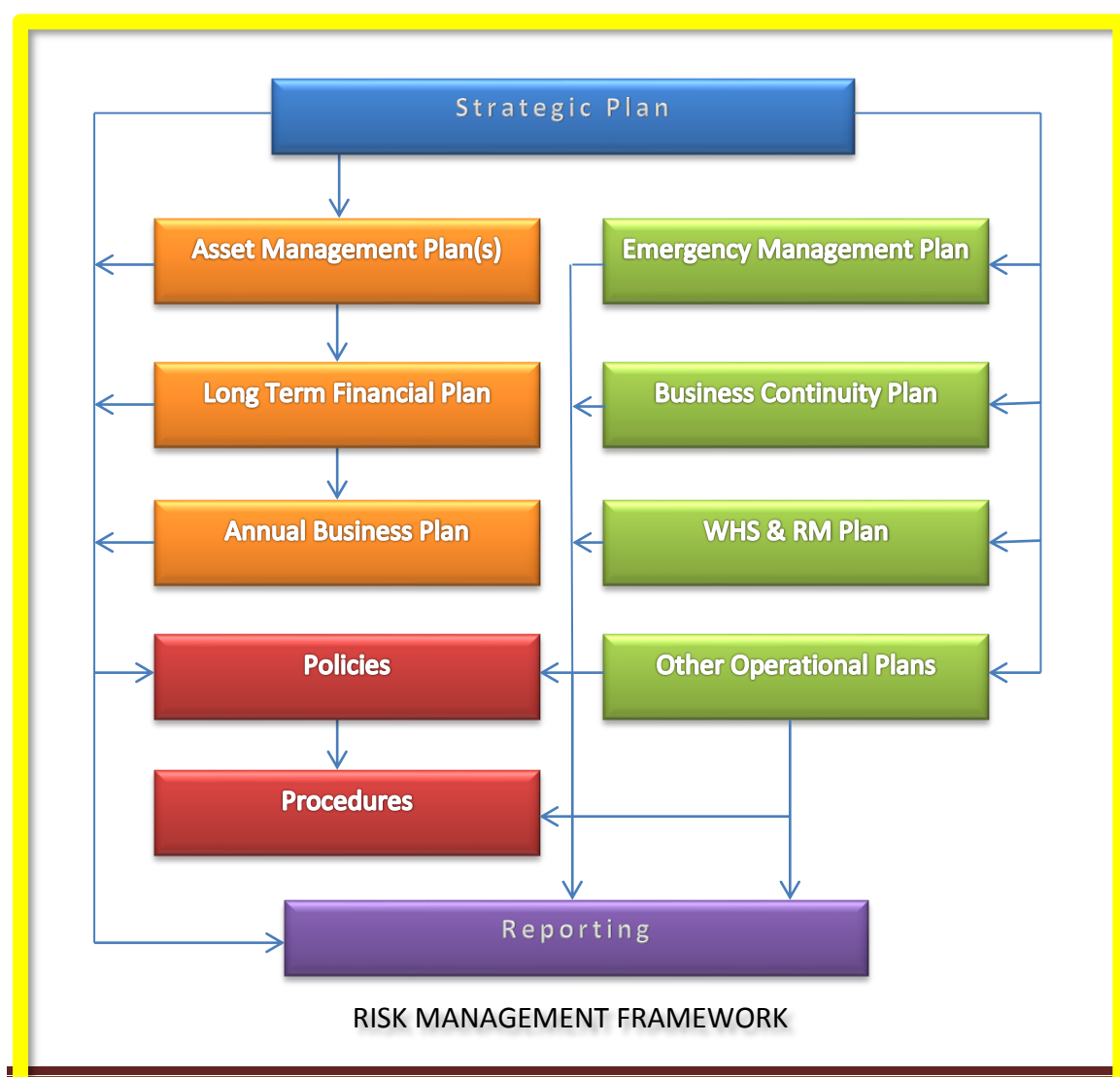# RISK MANAGEMENT FRAMEWORK

June 2014

1. Introduction

The purpose of Council's Risk Management Framework is to provide Council staff and elected members with guidance in how to manage risk in a consistent and comprehensive way.

The framework provides information on how to identify, analyse, evaluate and treat risks, as well as other key activities necessary for an effective risk management approach. Council's Risk Management Framework aligns with the Australian Standard for Risk Management (AS/NZS ISO31000:2009).

Risk is the chance of something happening that will have an impact on objectives. It is important that we manage risks in order that Council protect its assets, employees, contractors, volunteers and the general public, who collectively make up our community.

Set out below is a diagram illustrating how Council's Risk Management Framework interacts with Council's other strategic and operational management plans:

RISK MANAGEMENT FRAMEWORK

2. Definitions

The following definitions are used in this framework and are based upon the definitions in AS/NZS ISO 31000:2009 Risk management – Principles and guidelines

A *risk* is the effect of uncertainty on objectives

> *Effect* may be positive or negative
>
> *Uncertainty* is the deficiency of information related to, understanding of or knowledge of an event, it's consequence, or likelihood
>
> *Objectives* can have different aspects (such as financial, health & safety, environmental) and can apply at different levels (such as strategic, organisational, project)

Risk management means the coordinated activities to direct and control an organisation with regard to risk

Risk management framework is a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation

Risk owner is a person or entity with the accountability and authority to manage a risk

A *control* is a measure taken to modify risk, (such as process, policy, device, practice or other actions which modify risk)

3. Objectives of Risk Management

Risk management is a responsibility of all, with specific risk responsibilities being allocated to different groups and levels within Council. It is important to have complete and current risk information available as this information assists both employees and elected members to make more informed decisions around both strategic direction and operational objectives.

Risk management is not a stand-alone discipline but requires integration with existing business processes such as business planning and internal auditing, in order to provide our community with the greatest benefits.

The objectives of Council's Risk Management Framework are to:

➢ Provide a systematic, structured and timely approach to the identification and management of risks;
➢ Provide consistent risk assessment criteria;
➢ Make available accurate and concise risk information that informs decision making including strategic directions;
➢ Take human and cultural factors (such as capabilities, perceptions and intentions of people that can either facilitate or hinder achievement of Council's objectives) into account in the decision making process;
➢ Adopt risk treatment strategies that are cost effective and efficient in reducing risk to an acceptable level;
➢ Monitor and review risk levels to ensure that risk exposure remains within an acceptable level;
➢ Drive continuous improvement across all Council activities.

4. Benefits of Risk Management

Risk management will support us in being able to meet our values and deliver upon our objectives. Application of a consistent and comprehensive risk management process will:
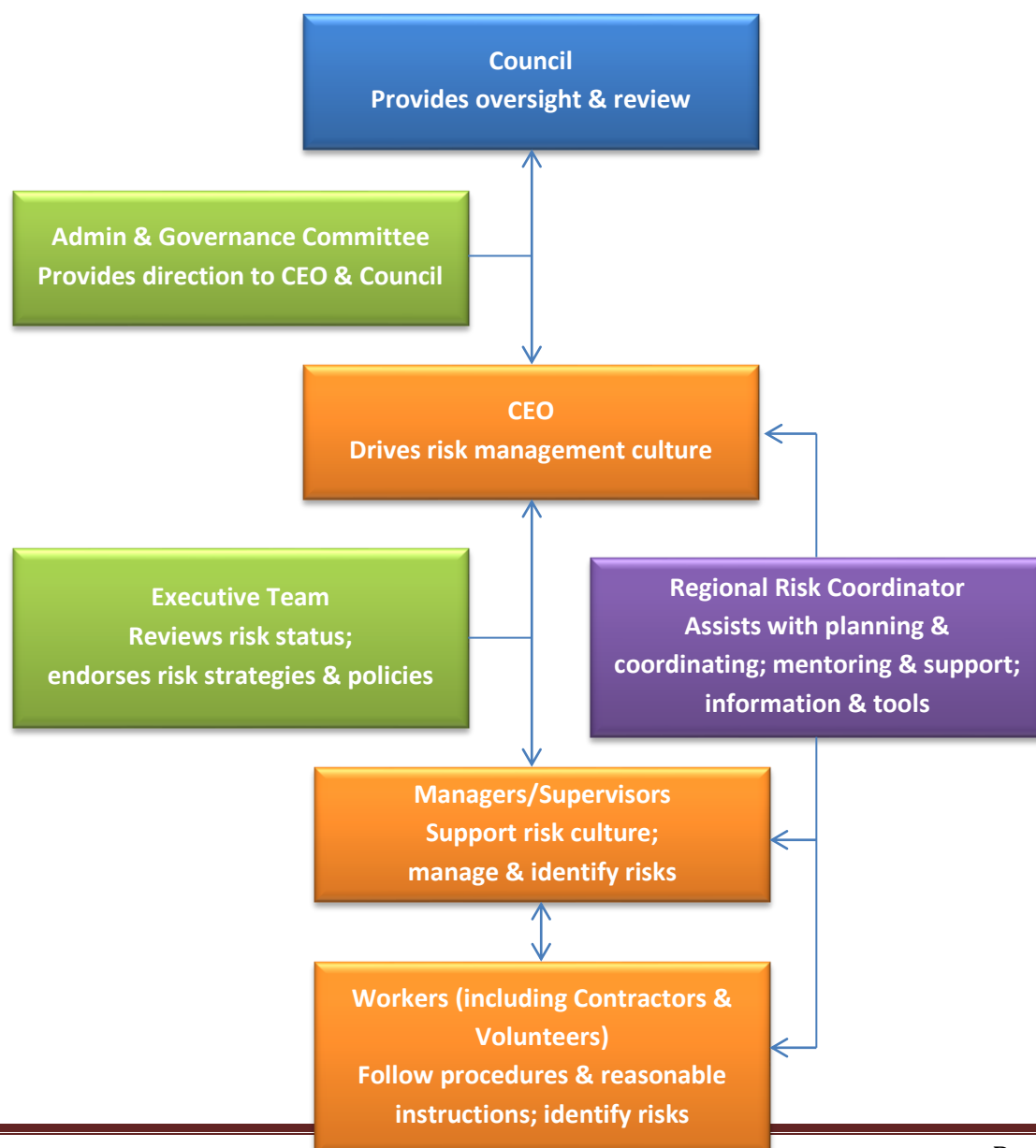
➢ Increase the likelihood of Council achieving its strategic and operational objectives;
➢ Encourage a high standard of accountability at all levels within Council;
➢ Support more effective decision making through better understanding of risk exposures;
➢ Create an environment that enables Council to deliver timely services and meet performance objectives in an efficient and cost effective manner;
➢ Safeguard the community's assets, (which includes people and property); and
➢ Meet compliance and governance requirements.

5. Roles and responsibilities

Council's ability to effectively manage risk is dependent upon having an appropriate governance structure and well-defined roles and responsibilities.

It is important for all employees and elected members to be aware of their individual and collective risk management responsibilities. In order for risks to be effectively managed, it is essential to have people behaving in a way that is consistent with Council's values. This indicates that risk management is not merely about having a well-defined process but also about effecting the behavioural change necessary for risk management to be embedded in all organisational activities.

Set out below is Council's risk management governance structure. This structure illustrates that risk management is not the sole responsibility of one individual but rather occurs and is supported at all organisational levels.

Council
Provides oversight & review

Admin & Governance Committee
Provides direction to CEO & Council

CEO
Drives risk management culture

Executive Team
Reviews risk status;
endorses risk strategies & policies

Regional Risk Coordinator
Assists with planning &
coordinating; mentoring & support;
information & tools

Managers/Supervisors
Support risk culture;
manage & identify risks

Workers (including Contractors &
Volunteers)
Follow procedures & reasonable
instructions; identify risks

6. Relationship with other processes

Risk management is not a stand-alone discipline; to maximize its benefits and opportunities, risk management needs to be integrated with existing processes.

Some of the key processes with which risk alignment is necessary are:

- **Internal Audit** – Internal Audit reviews the effectiveness of controls in line with the Risk Management Framework.
- **Strategic & Annual Business Planning (including Long Term Financial Plan and Annual Budget)** – Identifying risk during the planning process allows Council to set realistic delivery timelines for strategies/ activities or to choose to remove a strategy/ activity if the associated risks are too high or unmanageable.
- **Policy Development** – Council establishes policies to provide guidance in implementing its strategic and operational objectives; as such, risk management principles and processes should be addressed in the course of policy development.
- **Performance Management** – All risk responsibilities, whether a general responsibility to use the risk management process or specific responsibilities such as risk ownership or implementation of risk treatments should be included within the relevant individuals' performance plans.

7. Key Process Steps

Risk management is a continual process that involves the following key steps:

- Communicate and consult
- Establish the context
- Identify risks
- Analyse risks
- Evaluate risks
- Treat risks
- Monitor and review

It is important to follow this process when conducting risk management as this ensures that Council's approach to risk management is both comprehensive and consistent.
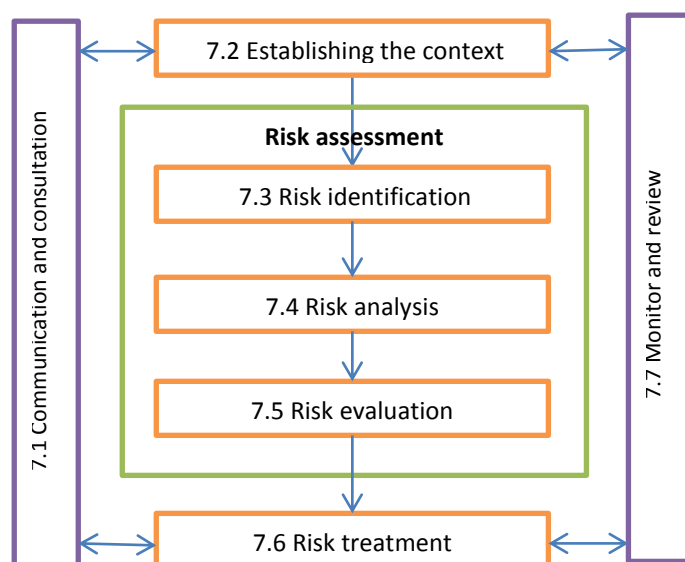
This process is formally conducted across the entire organisation on an annual basis, in conjunction with the annual business planning and budgeting process.

Risk management is not, however, just an annual process; it should occur at all times and in relation to all of Council's activities. Therefore, all employees and elected members have a responsibility to continually apply this process when making decisions and conducting day-to-day activities.

To assist in completing the risk management process, each process step is described in further detail.

7.1 Communicate and Consult

Communication and consultation with internal and external stakeholders is important for Council to provide, share or obtain information and to engage with stakeholders.

External communication and consultation is targeted at informing external stakeholders of:

- ❖ Council's risk management approach
- ❖ The effectiveness of Council's risk management approach
- ❖ Requesting feedback where appropriate

Risk management is a key governance and management function that external stakeholders, (including other levels of government and industry,) are paying increasing attention to. Satisfying these stakeholders that Council uses appropriate risk management practices may influence their decisions to support Council projects and undertakings.

Internal communication and consultation is aimed at informing internal stakeholders of:

- ❖ The risk management process
- ❖ Seeking feedback in relation to the process
- ❖ Key risks and their responsibilities relating to management of these

7.2 Establish the Context

By establishing the context, Council defines its objectives, the internal and external parameters to be taken into account and setting the scope and risk criteria for the remaining process. This means considering:

The external context

Building an understanding of our external stakeholders and hence the extent to which this external environment will impact on our ability to achieve corporate objectives:

- ❖ Social and cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environments
- ❖ Key drivers and trends having impact on Council's objectives
- ❖ Relationships with, perceptions and values of external stakeholders

The internal context

This is aimed at understanding organisational elements and the way they interact, such as:

❖ Culture, processes, structure, capabilities (in terms of resources such as people, systems, processes and capital), goals and objectives and the strategies in place to achieve these
❖ Whether the objectives of a particular project have been considered in light of Council's broader objectives

The risk management context

The goals, objectives, strategies, scope, parameters and responsibilities for the risk management process itself must also be considered.

Note:

The "Establish the Context" part of the risk management process will only need to be repeated when there are significant changes to either our external environment or business operations.

7.3 Identify Risks

Risk identification is a key step in the risk management process to ensure a complete list of risks is identified.

Risks can be identified using various tools and techniques including:

Past experience | Focus groups | Structured interviews | Strategic & Business Plans

Audit reports | Post-event reports | Surveys & questionnaires | Checklists

Part of risk identification also involves identifying risks that may arise "over the horizon". Some examples of possible considerations could include:

❖ Worldwide events
❖ Rising public expectations of local government
❖ Changing public attitudes towards local government

Risk identification should include examination of the knock-on effects of particular consequences, including cascade and cumulative effects.

7.4 Analyse Risks

Risk analysis involves developing an understanding of the risk, including causes and sources of risk, positive and negative consequences and the likelihood of those consequences occurring. Once a risk is identified, it is important to adequately describe it. The components of a comprehensive risk description are:

- ❖ Event (e.g. high staff turnover);
- ❖ Cause (e.g. staff job dissatisfaction); and
- ❖ Impact (e.g. inability to achieve strategic objectives).

Risk analysis involves:

- ❖ Identifying controls currently in place to manage the risk by either reducing the consequence or likelihood of the risk;
- ❖ Assessing the effectiveness of current controls;
- ❖ Identifying the likelihood of the risk occurring; and
- ❖ Identifying the potential consequence or impact that would result if the risk was to occur.

When evaluating the effectiveness of current controls, the factors to consider include consistency of application, understanding of control content and documentation of controls where appropriate. Controls are aimed at bringing the risk within an acceptable level. The evaluation of current controls can occur through several different processes including:

- ❖ Control self assessment;
- ❖ Internal audit reviewing the effectiveness of controls; and
- ❖ External audit reviewing the effectiveness of controls.

The consequence and likelihood ratings, as identified after consideration of current controls, are used to determine the overall risk level.

7.5 Evaluate Risks

Risk evaluation involves considering the overall risk level, which risks need treatment and the priority for treatment implementation.

This allows determination of whether further risk treatment actions are required to bring the risk within a level acceptable. Decisions should be made in accordance with legal, regulatory and other requirements.

The output of the risk evaluation phase is a prioritised list of risks.

7.6 Treat Risks

Risk treatment involves examining possible treatment options to determine the most appropriate action for managing a risk. Treatment actions are required where the current controls are not managing the risk within defined tolerance levels. Treatment options could involve improving existing controls and implementing additional controls.

Possible risk treatment options include:

- ❖ Avoid the risk – change business process or objective so as to avoid the risk;
- ❖ Remove the risk source;
- ❖ Change the likelihood – undertake actions aimed at reducing the cause of the risk;
- ❖ Change the consequence – undertake actions aimed at reducing the impact of the risk;
- ❖ Share/transfer the risk – transfer ownership and liability to a third party; and
- ❖ Retain the risk – accept the impact of the risk.

When determining the preferred treatment option, consideration should be given to the cost and effort involved in the treatment as compared to the likely risk reduction that will result (cost benefit analysis).

On selecting the preferred treatment option, the following should occur:

- ❖ The cost of any actions should be incorporated into the relevant budget planning process;
- ❖ A responsible person should be identified for delivery of the action, with this expectation being communicated to them;
- ❖ A realistic due date should be set; and
- ❖ Performance measures should be determined.

Risk treatment may introduce secondary risks that need to be assessed, treated, monitored and reviewed. These risks should be incorporated into the same treatment plan as the original risk (with the link between the risks being clearly identified,) and not treated as a new risk.

7.7 Monitor and Review

The environment in which Council operates is constantly changing and so therefore are our risks. If risk information is inaccurate, Council may make poor decisions that could otherwise have been avoided.

It is important for the effectiveness of the Risk Management Framework to monitored and reviewed. This framework drives the extent to which risks will be adequately managed throughout the organisation.

The monitoring and review process should encompass all aspects of the risk management process for the purposes of:

❖ Ensuring controls are effective and efficient in both design and operation;
❖ Obtaining further information to improve risk assessment;
❖ Analysing and learning lessons from events (including near-misses), changes, trends, successes and failures;
❖ Detecting changes in the external and internal context; and
❖ Identifying emerging risks.

Risk Owners and Risk Treatment Owners have key risk and control review and update responsibilities to ensure continued currency of information pertaining to their particular risks. Monitoring implementation of the Work Health & Safety & Injury Management Plan is one available monitoring mechanism. In addition, on an annual basis, the entire Risk Register (including Hazard Profile) will be reviewed by the Executive Team.

The results of monitoring and review should be recorded and internally and externally reported as appropriate and should also be used as an input into the following years Work Health & Safety & Injury Management Plan.

8. Risk Reporting

Risk management reporting is a key element of the 'Monitor and Review' phase of the risk management process, and needs to occur at each step of the process. This risk management reporting process supports a formalised, structured and comprehensive approach by Council to the monitoring and review of its risks, thereby enhancing its risk management process.

Council	• Review reports from Audit Committee/Senior Managers • Provide strategic direction on risk issues • Identify new and emerging risks • Communicate risk issues back to the CEO
CEO	• Monitor & review risk management action plans • Closely monitor extreme risks • Identify new and emerging risks and develop appropriate strategies for Council's consideration • Communicate risk issues to Council
Executive Team	• Monitor risk management & KPI audit action plans • Communicate key risk issues to the Admin & Governance Committee • Identify new and emerging risks
Managers/Supervisors	• Review risk management & KPI audit action plans • Communicate key risk issues to the Executive Team • Identify new and emerging risks
Risk Owners	• Monitor and review the risks that they own • Prepare reports for the risks that they own • Provide the Coordinator Human Resources with information on the risks which they own • Identify new and emerging risks
Coordinator Human Resources	• Prepare reports • Gather risk information from the relevant organisational people, for example, Risk Owners • Identify new and emerging risks
Staff	• Provide risk information to those that request it • Monitor and review risks within their areas • Identify new and emerging risks

9. Risk Escalation

Risk escalation is an important tool for ensuring that risks are known and understood by the people with the authority to appropriately manage them. If a risk poses an extreme risk and requires allocation of substantial risk treatment resources, then it would not be appropriate for this to be managed at the departmental level. Council has overall accountability for managing risks and therefore, where a risk poses such a high threat, Council should be informed of it at the earliest available opportunity.

Everyone has the ability to identify risks at any time of the year. When these risks are identified outside of the formal annual risk review process, escalation of the risk to the appropriate recipient needs to occur. The table set out below indicates the appropriate escalation process. The Coordinator Human Relations will act as the conduit between the person who has identified the risk and the relevant escalation recipient. Therefore if you identify a risk which requires escalation please report it directly to the Coordinator Human Relations..

The Coordinator Human Relations will assess and review the risk information provided to them and escalate the risk in line with the requirements set out in the below table.

Risk Level		Escalation recipient	Timing
	Low (1 > 5)	No escalation necessary	Monitor
	Moderate (5 >10)	Manager/Supervisor	2 – 7 days
	High (10 > 20)	Departmental Manager	Within 1 day
	Extreme (20 +)	CEO	Immediate

10. Council Policies

All policies are supported by procedures, registers and templates to assist with their implementation, which collectively form Council's Risk Management Framework.

Work Health Safety:

1 OS WHS & IM Policy
    1.1 OS IM Procedure
2   OS Hazard Management Policy
    2.3 OS Hazard Management Procedure
    2.4 OS Workplace Inspection Procedure
3 OS Admin of WHS Management System Policy
    3.1 OS Document Management Procedure
    3.5 OS Planning & Program Development Procedure

4 OS WHS Communication & Consultation Policy
   4.1 OS WHS Communication & Consultation Procedure
5 OS WHS Contractor Management Policy
6 OS WHS Emergency Management Policy
7 OS Hazardous Work Policy

Governance:

2.03 Community Consultation
2.07 Review of Decisions
2.13 Gifts, Benefits & Hospitality
2.14 Fraud Prevention
2.15 Whistleblowers
2.16 Audit Committee Terms of Reference
2.17 Internal Review of Council Decisions
2.22 Caretaker Period
2.24 Risk Management
2.25 Asset Management
2.26 Complaint Handling
2.31 Technical Services & Works Committee Terms of Reference
2.32 Administration & Governance Committee Terms of Reference
2.33 Strategic Planning & Development Policy Committee Terms of Reference

11. Related Documents

➢ Strategic Plan 2012-2022
➢ Business Continuity Plan
➢ Emergency Management Plan
➢ Work Health & Safety & Injury Management Plan
➢ Asset Management Plan(s)

12. References

For further information on risk management, the following documents provide a comprehensive and practical overview:

➢ AS/NZS ISO 31000:2009 – Risk management - Principles and guidelines
➢ ISO Guide 73:2009 – Risk management - Vocabulary
➢ IEC/ISO 31010:2009 – Risk Management - Risk assessment techniques
➢ HB 327:2010 – Communicating and consulting about risk
➢ AS/NZS 5050:2010 – Business continuity - Managing disruption-related risk
➢ HB 266:2010 – Guide for managing risk in not-for-profit organisations

- Local Government Association of South Australia Financial Sustainability Information Paper 22: 'Establishing a Risk Management Plan'
- Local Government Association of South Australia – Community Emergency Risk Management Plan template

_____

Document Control

Status:	Version 2	Drafted by:	Jain Mentieth 26/5/14
Replaces:	DCTB Integrated Risk Management Framework 1/9/11	Drafted by:	Tony Irvine 1/9/11
Date endorsed by Executive Team:	26/5/14	Council considered:	10/6/14
Review Date:	June 2015		

Appendix A: Risk Analysis Model

Risk likelihood may be assessed on a scale of 1 to 5 as follows:

1	Rare	The event will only occur in exceptional circumstances
		Occurs less than once every 100 years
2	Unlikely	The event is not likely to occur within the planning period
		Occurs once every 10 – 100 years
3	Possible	The event may occur within the planning period
		Occurs once every 1 year – 10 years
4	Likely	The event is likely to occur within the planning period
		Occurs once every 1 month – 1 year
5	Almost Certain	The event will occur within the planning period
		Occurs more than once per month

Risk consequence may also be assessed on a scale of 1 to 5 as follows:

1	Insignificant	Minimal, no injury or barely noticeable detriment
2	Minor	Immaterial, slight injury or insignificant deficiency
3	Moderate	Material, considerable injury or partial deficiency
4	Serious	Severe, extensive injury or significant deficiency
5	Catastrophic	Critical, fatal or complete failure

The risk matrix below reflects Council's **risk tolerance**:

Likelihood ↑	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic	
5 Almost certain	5	10	15	20	25	**Extreme Risk** – CEO. Action required to manage risk.
4 Likely	4	8	12	16	20	**High Risk** – CEO / Executive Team review. Action required to manage risk.
3 Possible	3	6	9	12	15	**Moderate Risk** – Management responsibility to be defined.
2 Unlikely	2	4	6	8	10	**Low Risk** – Monitor. Action not specifically required.
1 Rare	1	2	3	4	5	

Consequences →

Although each risk must be assessed on its own merit, the following provides a guide as to the level and timing of *escalation* of each risk:

	Low (1 > 5)	No escalation necessary	Monitor
	Moderate (5 >10)	Manager/Supervisor	2 – 7 days
	High (10 > 20)	Departmental Manager	Within 1 day
	Extreme (20 +)	CEO	Immediate

Appendix B: Residual Risk

Having assessed the level of risk, control measures and mitigating influences should be assessed to determine their adequacy and whether further treatment options or monitoring of controls is necessary. The following table provides a guide in determining adequacy of controls.

Control/Mitigating Influence Assessment	Description	Control/ Mitigating Factor
Unsatisfactory	No systems of processes exist to manage the risk	Inadequate
Poor	The systems and processes for managing the risk have been subject to major change or are in the process of being implemented and their effectiveness cannot be confirmed	
Satisfactory	Systems and processes exist which partially mitigate the risk	
Good	Systems and processes exist which manage the risk. Some improvement opportunities have been identified but not yet actioned.	Adequate
Excellent	The systems are effective in mitigating the risk. Systems and processes exist which manage the risk and management accountability is assigned. The systems are well documented and regular monitoring and review indicates high levels of compliance with the process.	

Once the control factor is known, an assessment of residual risk can be made, and appropriate measures put in place as follows:

Risk	Control/Mitigating Factor	Residual Risk	Action Required
Extreme/High	Inadequate	Extreme	***Active management*** Preparation, management and active review of treatment options
Extreme/High	Adequate	High	***Control critical*** Continual monitoring of controls to confirm assessment of effectiveness
Moderate/Low	Inadequate	Moderate	***Periodic monitoring*** Improve control or continual monitoring of residual risk
Moderate/Low	Adequate	Low	***No major concern*** No action required

Appendix C: Consequence Scale & Criteria

Rating		Community	Property	Environment	Financial
Catastrophic	5	No local resources – external help required Loss of multiple lives or permanent impairment Pandemic or epidemic More than 50% of community affected Displaced people Major businesses severely affected	Building demolition/rebuild required Insurance doesn't cover full costs Costs of alternative accommodation Budget impact in excess of $500K	Species loss Permanent damage to native habitat/grasses/wetlands EPA involvement Significant legal impact Extensive remediation	Financial loss in excess of $250K (revenue or assets) Large funding programs terminated
Serious	4	Residual effect – outside help needed 25-50% of community affected Individual loss of life or single person with permanent or partial disability Medium/large business affected	Significant loss of use Insurance claims Budget impact between $100K - $500K	Major regional impact & external management needed Non-permanent long-term effects Species impact – re-established over time with assistance	Financial loss between $100K and $250K (revenue or assets) Major project delayed for 12 months or more
Moderate	3	Serious injuries or health impairments requiring hospitalisation and/or rehabilitation Locally managed 10 - 25% of community affected Medium sized business affected	Surroundings affected Minor structural issues Minimal disruption to use Insurance claim Budget impact between $50K - $100K	Regional impact with focus on local area External advice needed No lasting effects Species can repopulate	Financial loss between $50K and $100K (revenue or assets)
Minor	2	Minor injuries only – first aid or medical attention required Up to 10% of community affected Small local businesses affected	Above average complaints Minor disruption to use Repairs within normal maintenance schedule Budget impact between $10K – 50K	Minor local impact No external assistance required Managed locally within 2 hours No permanent effect	Financial loss between $10K and $50K (revenue or assets)
Insignificant	1	Little or no disruption Minor first aid on site No businesses affected	Aesthetic damage Repairs within normal maintenance schedule Normal use possible Budget impact less than $10K	No measureable impact No lasting damage Contained immediately No EPA involvement	Financial loss up to $10K (revenue or assets)

Rating		Reputation & Image	Customer Service/Business Continuity	Regulatory/Legal	Human Resources
Catastrophic	5	Prolonged adverse media attention National, state & regional print, television and radio coverage Forced resignation of Council/Mayor Irreparable damage to government relations	Loss of service capacity for more than 1 month Extensive loss of essential services or infrastructure	Coroner's enquiry Parliamentary enquiry Administrators appointed Significant legal, regulatory or internal policy failure resulting in conviction or significant fine	Unexpected/unplanned loss of 2 or more senior managers Death of a worker Extensive staff turnover (>25% workforce)
Serious	4	Regional and state print, television & radio coverage Community petitions Sustained media coverage Loss of community support for Council Ongoing friction between Council & State government	Loss of service capacity for between 2 weeks and 1 month Substantial loss of essential services or infrastructure	Ministerial attention – matters reported in parliament Major legal, regulatory or internal policy failure Formal investigation by third party, (eg. ICAC Commissioner, Ombudsman)	Unexpected/unplanned loss of a senior manager Serious injury or permanent disability of a worker
Moderate	3	Local media attention Issue raised at Council meetings Letters to editor	Loss of service capacity for between 1 and 2 weeks Moderate loss of essential services or infrastructure	Decrease in support from government or minister(s) Limited legal, regulatory or internal policy failure Requirement to undertake specific actions to remedy breach	Unexpected/unplanned loss of a manager or supervisor Lost time injury to a worker – medical treatment or hospitalisation required
Minor	2	No media coverage Written or verbal complaints or enquiries Increased staff time required to manage the event/incident	Loss of service capacity for between 2 days and 1 week Isolated loss of service	Minor legal, regulatory or internal policy failure resolved by CEO Fines or penalties of a legal nature Legal advice required Resolved via internal negotiation without legal intervention or remedy	Unexpected/unplanned loss of 2 or more workers Minor injury – first aid treatment required
Insignificant	1	No loss of image Minimal, if any, complaints or enquiries	Loss of service capacity for 1 day or less	Insignificant legal, regulatory or internal policy failure	No injuries

Note that the consequence scale and criteria are an important part of establishing context for overall assessment of risk.

Should a risk pose a higher threat in one context than another, use the higher of the two, e.g. a bushfire that is likely to result in the loss of multiple lives ("Catastrophic") but disrupt service capacity for less than two weeks (Moderate") must be rated "Catastrophic"

Appendix D: Risk Category Matrix

To assist in the identification and analysis of risks and to ensure significant risks are not overlooked risks are split into categories. The risk categories can also prove useful for measuring and reporting where risk lies within the agency.

Risk / Issues Category	Example Risks / Issues		
Strategic	Planning & budgeting Strategy Development	Change Management Industry Trends	Business Performance Management Target Setting
Political	Political Environment	Legislative Change	Regulatory / Legal Changes
Stakeholders Relations	Employees / Contractors Suppliers Government Departments	LGA of SA Other Councils Customers	Minister Community Service Providers
Asset / Facility Management	Equipment Breakdown & Contingency Plans Asset Ownership & Control	Asset Maintenance Contract management	Signage
Program / Project Management	Project Management Milestone Monitoring Budgeting & Carryovers	Delivery of Funding Outcomes Council Approvals Compliance with Conditions of Approval	Management Reporting Capital Management
Operations/ Business Development	Contract Management Asset Management Feasibility / New business opportunities	Policy Development Quality Assurance Research and Development	Account Management Continuity Management
Financial	Budgeting & Funding Financial Operating Controls Management and Financial Reporting	Cash flow, Investment and Capital Projects Insurance Fraud	Indirect Taxation Revenue Raising & Collection Management of Corporate Service Provider (Auditor, Accountants etc.)
Purchasing / Procurement	Acquisition Planning Regulation Compliance Probity	Market/supplier relationships Claims & Disputes Reliable Goods & Services	Cost Effective Purchasing Contractual Arrangements
Information Technology	Data and Systems Integrity Data Management & Storage Data Security Contingency Planning Data Backup & Retrieval	e - Commerce Systems Availability IT Maintenance and Support Corruption & Viruses Training & IT Skills	Systems Development Systems Integration Management of IT Service Provider Licences & Copyrights Internet & Intranet Management
Environmental Management	Resource Sustainability Asset Depredation	Legislative Compliance Pollution & Waste Management	Efficient Use of Resources
Natural Events	Urban Flooding Drought Bushfire	Earthquake Storm Damage	Environmental Changes Water Contamination

Risk / Issues Category	Example Risks / Issues		
Human Resources	Loss of Knowledge to Council Culture and Integration Workplace and Industrial Relations Leadership / Communication	Recruitment and Retention Age profile Succession Planning Morale & Life Style Balance	Induction Training and Development Performance Measurement Adequate Skills and Resources
Occupational Health and Safety	Council Wide Responsibilities Accidents / Injuries Management of Contractors	Harassment & Discrimination Hazardous Working Conditions Communication & Actioning of Issues Identified	Working from Home Workers Compensation Outdoor Exposure
Grant Funding	Governance Probity Transparency Commercial & Financial	Facilities & equipment Consultation Environmental Project delivery/timing/management	Council Resources Inter-governmental relationships Political climate Contractor engagement/management

Appendix E: Risk Treatment Flow Chart

Developed from AS/NZS 4360
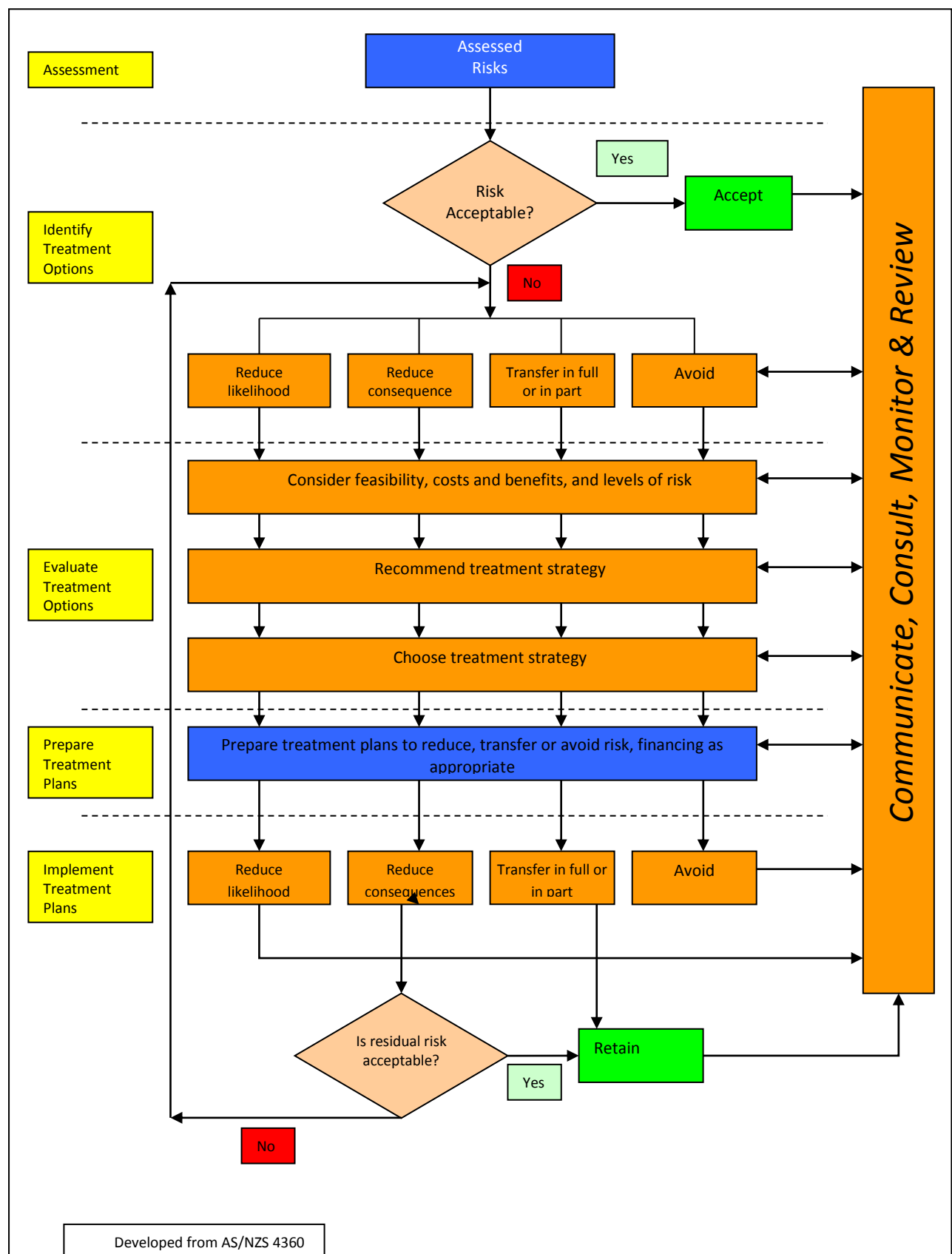
Source: Local Government Association of South Australia Community Emergency Risk Management Plan Template Version 6

Appendix F: Hierarchy of Controls

The hierarchy of controls is used principally in addressing Work Health and Safety hazards, however is also a useful tool in considering treatment options for strategic and organisational risk. Treatment options should be addressed in the order of the hierarchy of controls, with elimination the most preferred option and the use of personal protective equipment the least preferred option.

Elimination
- remove the cause of the hazard completely
- cease in-house operations of hazardous work

Substitution
- control the hazard by replacing it with a less risky way to achieve the same outcome

Isolation
- separate the hazard from those at risk by isolating it

Engineering
- using engineering controls, such as making physical changes, to lessen any remaining risk, e.g. redesign a machine by adding safeguards

Administration
- use administrative controls to lessen the risk, e.g. install signs, rotate jobs, policies, procedures, checklists

Personal Protective Equipment (PPE)
- Provide workers with PPE, (e.g. gloves, earplugs, goggles, hi-viz vests) and provide training in their correct use