

Enterprise Risk Management Strategy 2018 - 2021

DRAFT



INTRODUCTION

This Enterprise Risk Management Strategy formalises and details Moree Plains Shire Council approach to organisational risk management and provides a framework for the management of risk and the ongoing conduct for risk practices across the organisation. Council is committed to the implementation of this Strategy.

The Risk Management Group has set the risk management direction for all service areas operating within Council and with the adoption of the Risk Policy and ERMS, this will be endorsed by the Council.

The holistic management of risk is recognised as an integral part of good management practice.

Effective risk management supports informed decision making and encourages the identification of opportunities for continuous improvement. Risk Management is a critical element of sound organisational governance.

Council through its management accountability systems (MANEX, RMG, WHS Committee), internal audit program and Internal Audit Committee, work health and safety systems and various governance policies and procedures, has a strong commitment towards the principles of risk identification, risk assessment and treatment of risks.

The management of risks includes identification, evaluation and enacting appropriate treatments or minimisation strategies to manage operations and the achievement of objectives. It encompasses both detrimental effects and opportunities to improve and sustain performance.

The primary objectives of Moree Plains Shire Council Enterprise Risk Management Strategy are:

- Better corporate governance;
- Informed decision-making and planning;
- Proactive, rather than reactive, management;
- More effective allocation and use of resources (human, financial, intellectual);
- Safeguard, wellbeing and enhancement of Moree Plains Shire Council assets, including human, fiscal, infrastructure and environmental;
- Improve compliance and maintaining legislative/regulatory requirements;
- Demonstrating transparent and responsible risk management processes which align with accepted best practice;
- Creating an environment where all workers assume responsibility for managing risk.

The principles supporting this Strategy are based on the International Standard for Risk Management *ISO 31000-2018 Risk Management –Guidelines*.

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DEFINITIONS

Consequence means the outcome of an event or change in a particular set of circumstances affecting objects or impact on an organisation. Refer to Appendix X

Contractor means an independent person or entity that undertakes to provide goods, materials, equipment personnel and/or services for agreed requirements or specifications at a mutually agreed upon price, within a specific timeframe.

Council or MPSC means Moree Plains Shire Council

Duty Holder as defined in the WHS Act

Council Staff are employees of Moree Plains Shire Council as defined in the Industrial Relations Act 1996

ERM means enterprise risk management

ERMS or Strategy means Moree Plains Shire Council Enterprises Risk Management Strategy, which guides Council’s Risk Management Framework.

Hazard means a source of potential harm or a situation with a potential to cause injury, damage or loss.

Inherent Risk means the raw risk, without applying controls. It is determined by the risk rating.

Likelihood means the chance of something happening. Refer to Appendix X

MANEX means the Management Executive, which includes the General Manager and Directors.

Officer as defined in the WHS Act

Operational Risk means risk which occurs in, hampers or effects an individual Department, Section or Team.

Residual Risk means the level of risk remaining after risk treatment.

Risk is defined as the effect of uncertainty on objectives.

Risk Analysis means the process to comprehend the nature of risk and the determine the level of risk

Risk Appetite or Attitude means the amount and type of risk that an organisation is willing to take in order to meet its strategic objectives. Risk Appetite is best described as an organisation’s pursuit of risk or its willingness to take or turn away from risk.

Risk Assessment means the overall process of risk identification, analysis and risk evaluation.

Risk Control means at part of risk treatment which involves the implementation of policies, standards, procedures, physical changes, work process or system of work to modify, eliminate or minimise the impact of the risk.

Risk Evaluation means comparing the results of the risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable.

Risk Identification means the process of determining recognising and describing risk.

Risk Management is defined as the coordinated activities to direct and control an organisation with regard to risk.

Risk Management Framework is defined as the set of components that provide the foundations and organisational arrangements for designing, implementing monitoring, reviewing and continually improving risk management throughout the organisation.

Risk Profile is a description of a set of risks applicable across the whole organisation.

Risk Rating means the magnitude of a risk based upon its impact to the organisation, expressed in terms of the combination of consequences and their likelihood. Refer Attachment X.

Risk Tolerance means the level of risk that Council is prepared to accept before action is deemed necessary to reduce it and represents a balance between the potential benefits of calculated risk and the threats that it inevitably brings.

Risk Treatment means the process to modify risk

RMG mean Risk Management Group (formerly Risk Management Advisory Group or RMAG), which all deemed *Officers* of Council are members.

Stakeholder, is a person or organisation that can affect, be affected or perceive themselves affected by a decision or activity.

Strategic Risk means risk which will effect or hamper across the organisation its ability to operate or deliver its policy, strategy or services.

WHS means Work Health Safety

WHS Act means the Work Health and Safety Act 2011

WHS Regulations means the Work Health and Safety Regulation 2017

Worker as defined in the WHS Act

RISK MANAGEMENT POLICY

Moree Plains Shire Council recognises that Risk Management is the systematic application of management practices for the identification, analysis, control and monitoring of uncertainties that may impact on Council's ability to achieve its objectives.

Moree Plains Shire Council will ensure that risks are identified at a corporate and operational level and that these risks are managed and reported on regularly. Risks considered may include those impacting on Council's reputation and its operational, financial, environmental, compliance, property/infrastructure, governance and workplace health and safety.

Additionally, Council shall foster a culture of risk management across all its operations. This shall include the use of risk assessments as part of most operational decisions.

As part of its approach to systematically managing risk at the Moree Plains Shire Council, the following will be undertaken:

- Establish and maintain Risk Registers of all known risks affecting or likely to affect Council at a Corporate and Business Unit level;
- Record the output of risk assessments; and
- Annually review strategic, operational and compliance risks.

All Council staff are responsible for managing risk associated with the activities and functions under their control. Risk management processes should be integrated with normal planning processes and management activities.

ENTERPRISE RISK MANAGEMENT

Moree Plains Shire Council acknowledges that risks are inherent in every business decision and that the management of risk is a key business process, essential to good management practice. Council is therefore committed to the systematic and proactive management of risk as an integrated component of the 'way we do business'.

All Council workers, officers and elected members have a defined responsibility for the management of risk. To meet their responsibilities, Council is committed to the provision of an appropriate framework, tools and training, that will be regularly reviewed and updated in line with continuous improvement and sustainability principles.

The ERMS outlines a process of continuous improvement that is to be embedded in all the practices and processes of Council. Sound risk management practices promotes communication between all stakeholders, improved information flow and enhances the decision making process.

Enterprise risk management involves embedding risk thinking into Council's everyday activities. It provides guidance to achieving a uniform approach to the management of risk across all areas, functions and decision-making processes of Council.

PURPOSE

The purpose of this ERMS is to communicate Council's commitment to managing enterprise-wide risks and establish clear responsibilities to ensure that all levels of Council, management and staff, are aware of and responsible for the management of risk.

The application of risk management thinking, principles and practices aims to help Council deliver quality services, improve decision-making, set priorities for competing demands/resources, minimise the impact of adversity and loss, ensure regulatory compliance and support the achievement of objectives.

SCOPE

This Strategy applies to Councillors, Council staff, contractors, consultants and volunteers across all Council activities and processes.

Enterprise Risk principles will be applied through the management processes of MPSC, including:

- Strategic planning
- Business planning and budgeting
- Policy development
- Project and programme management
- Decision making at both the strategic and operational levels
- Workplace safety

STATEMENT

Council uses *ISO 31000:2018 Risk Management – Guidelines* as the main source of guidance for the development, implementation, consultation and review of its Risk Management Framework. The Standard outlines 8 principles that are applicable to the ERM approach of MPSC:

- **Integrated** into all organisational activities;
- Is **structured and comprehensive**, which contributes to consistent and comparable results;
- **Customised** and proportionate to the organisations objectives;
- Is **inclusive**, so that appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. Resulting in improved awareness and informed risk management;
- Anticipates, detects, acknowledges and responds to changes and events in an appropriate, timely, **dynamic** manner;
- **Best available information**. This should be timely, clear and available to relevant stakeholders based on historical and current information and future expectations;
- Takes **human and cultural factors** into account;
- Facilitates **continual improvement** for the organisation.

Outcomes

To ensure that through the application of the risk policy and this Strategy that:

- MPSC is in a position to confidently make informed strategic, project and operational decisions based on ERM Principles.
- All reasonably foreseeable risks are systematically identified, assessed, analysed, prioritised and considered for appropriate treatment.
- That relevant legislation and standards are used to provide guidance in best risk management practices.
- The management of resources is targeted with effective controls.
- The community, contractors, Council employees, assets and financial integrity and sustainability are protected.
- There is appropriate delegation of risk management responsibilities to Council employees across all functional areas of MPSC.

ACCOUNTABILITY AND RESPONSIBILITIES

Elected Representatives

- Under the *NSW Local Government Act 1993*, “*Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions*”, section 8A(2)(e);
- Adopting and monitoring Council’s Risk Policy and ERMS;
- To consider Councils ERMS in decision making;
- Recognise and allocate appropriate resources to risk management; and
- Provide strategic leadership.

Internal Audit Committee

Internal Audit Committee's plays a pivotal role in the governance framework. It provides council with independent oversight and monitoring of the council's audit processes, including the council's internal controls activities. This oversight includes internal and external reporting, risk management activities, internal and external audit, and compliance, *Office of Local Government Internal Audit Guidelines*, September 2010.

Internal Auditor

Internal auditor, reports directly to the Internal Audit Committee, their role is primarily one of providing independent assurance over the internal controls and risk management framework of the council, '*Office of Local Government Internal Audit Guidelines 2010*'.

General Manager

- Establish and maintain a climate of risk awareness and evaluation;
- Ensure the RMG meets regularly and operates within its charter;
- Develop and maintain governance mechanisms that effectively monitor risks and their management;
- Ensure Directors, Managers and staff receive support and training to fulfil their responsibilities; and
- Set requirements for risk management based on the current International and Australian Standard and ensure that they are consistent with our business, ethical and professional standards.

The RMG

- Implement the Moree Plains Shire Council ERMS and associated documents;
- Make recommendations for continuous improvement of the ERMS;
- Ensure the ERMS objectives align with organisational objectives and values;
- Regularly review and keep informed about matters associated with managing risk happening within the organisation.
- Make recommendations to Council and provide advice and direction to all departments on issues related to risk management implementation, compliance and performance;

Directors, Managers, Supervisors and Superintendents

- Integrate risk management into all aspects of their business;
- Ensure workers receive support and training to fulfil their responsibilities;
- Systematically identify, analyse, evaluate and control any risk that might impact on their objectives; and
- Ensure that risk management practices and treatments are:
 - consistent with Council requirements;
 - monitored to ensure that management strategies remain effective; and
 - commensurate with the level of risk exposure.

Workers

- Systematically identify, analyse, evaluate and control any risk that might impact on their tasks,
- Maintain an awareness of risks (current and potential) that relate to their area of responsibility,
- Actively support and contribute to risk management initiatives, and
- Advise their managers of risk issues they believe require attention.

Contractors

- Respond immediately to the investigation of a hazard or incident received from a Council employee or member of the community;
- Maintain appropriate and adequate insurances as required by MPSC.
- Conduct daily duties in a manner that does not expose Council to loss or risk and ensure that these duties are performed in accordance with relevant policies, procedures and legislative requirements.

DOCUMENTATION

Important risk management processes and activities will be documented throughout Council.

Documentation is important because it:

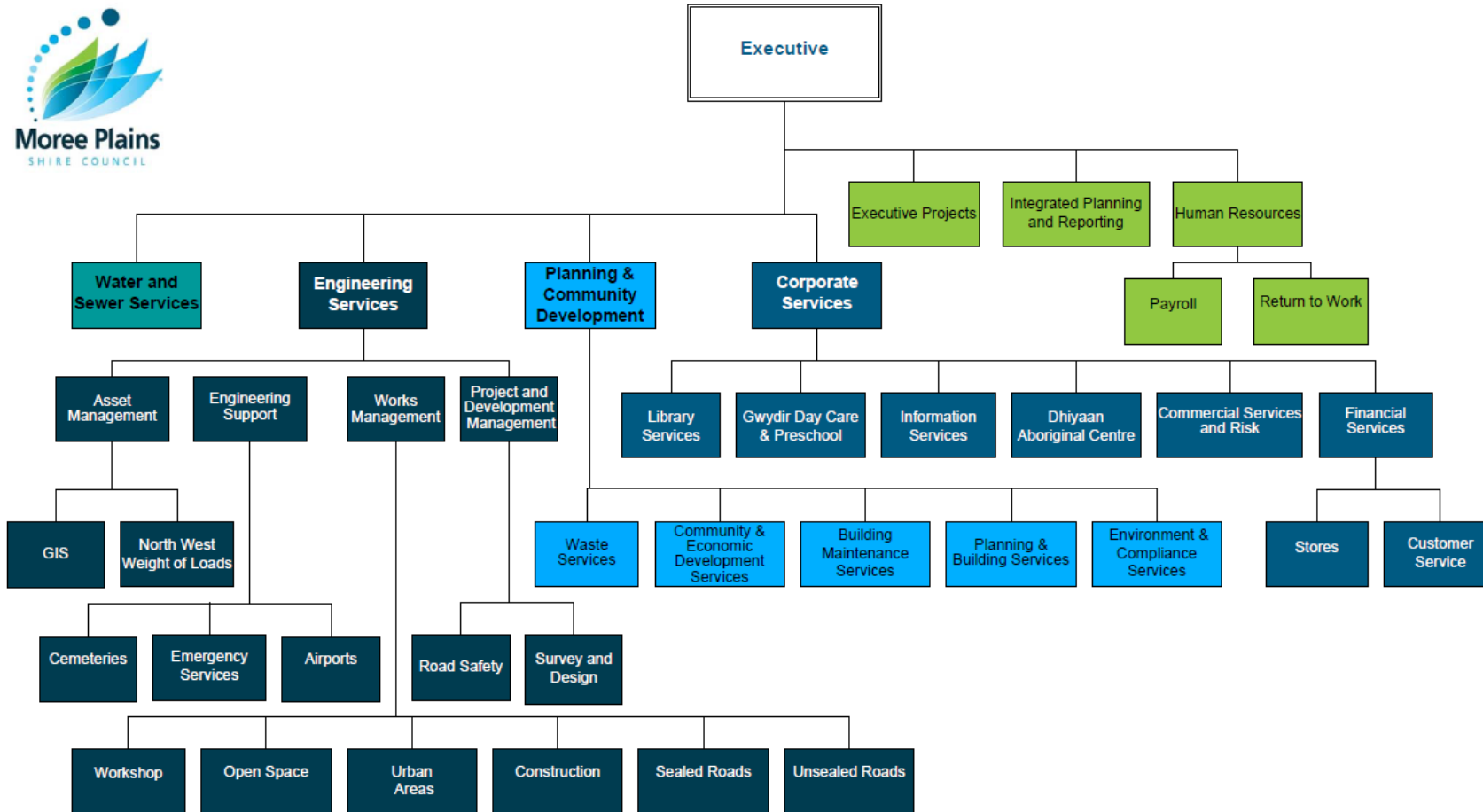
- Gives integrity to the process and is an important part of good corporate governance;
- Provides an audit trail and evidence of a structured approach to risk identification and analysis;
- Provides a record of decisions made which can be used and reviewed in the future; and
- Provides a record of risk profiles for Council to continuously monitor.

Key documents include:

- The ERMS and the Risk Management Policy;
- Strategic Risk Register;
- Operational Risk Register which includes WHS Risks;
- Risk Treatment Plans; and
- WHS Policy and the documents which make up the MPSC WHS framework.

THE ORGANISATION

Moree Plains Shire Council services the Local Government area through the following organisational structure and division of functions:



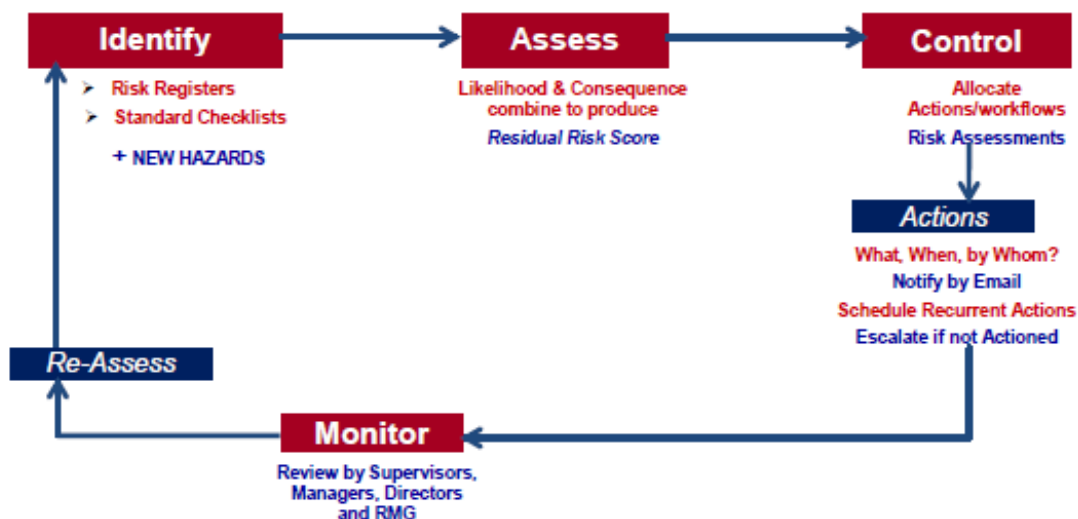
Artesian Water Country

APPLICATION OF THE ENTERPRISE RISK MANAGEMENT STRATEGY

Council’s ERM framework provides the foundations and organisational arrangements for defining, identification, analysing, evaluating, implementing, monitoring, reviewing and communicating to continually improving risk management throughout the organisation. Council understands the importance of an effective risk management framework to help protect key stakeholders from adverse events and support the pursuit of opportunity. Therefore, Council will maintain a risk management framework appropriate to the size, culture and complexity of its operations and environment.

Moree Plains Shire Council has determined that an enterprise approach to risk management will better serve to effectively and efficiently manage the potential risks faced by Council, due to the nature of our operations. This approach will also encourage a better appreciation of the opportunities that can be identified and will assist in the achievement of our objectives and the sustainability of Council.

The application of the Risk Strategy is demonstrated in the following table:



ENTERPRISE RISK MANAGEMENT FRAMEWORK

Scope, Context and Criteria

Establishing the scope, context and criteria of risk management at Council is the foundation of good risk management and vital to successful implementation of the risk management process.

We will do this by embracing a strategic approach supported by Council and set by RMG to identify, assess and manage any risk that may impact on the achievement of Council’s strategic objectives.

Defining the scope of risk management activities should include:

- Objectives and decision that need to be made;
- Outcome expected;
- Specifics, including time, location, inclusions and exclusions;
- Resources require, responsibilities and records of these;
- Relationship with other Council projects, processes and activities.

Important considerations when determining context include:

- Council’s external environment – social factors, demographics, economic, environmental.
- Council’s stakeholders – Councillors, residents, ratepayers, customers, regulators, contractors, politicians, media, insurers, service providers, employees and volunteers.
- Council’s internal environment – goals, objectives, culture, risk appetite/tolerance, organisational structures, systems, processes, resources, key performance indicators and other drivers.
- Council’s risk management parameters – this is the amount of risk that Council is willing to accept in pursuit of its objectives.

Risk Management Parameters

It is important that Council understands its risk taking parameters and adopts its policies and procedures accordingly. Risk parameters are generally expressed in terms of risk appetite and risk tolerance.

Risk Appetite is the organisation’s “comfort zone”. It is about understanding the difference between acceptable risks and unacceptable risks and identifying the level of additional controls that are required. Understanding risk appetite is particularly relevant when Council has to make choices that are inherently uncertain.

While risk appetite may vary depending on the importance and complexity of each objective that Council is pursuing and the particular strategies in place to achieve those objectives, Council’s risk appetite can be summarised as follows:

- Moree Plains Shire Council has no appetite for known and avoidable operational risks that might impact on the safety and wellbeing of staff and the public.
- Council has no or little appetite for known and avoidable risks that might impact on the security of Council and public assets.

- MPSC has no or little appetite for known and avoidable risks that might impact the reputation and/or the delivery of quality services to the community.
- There is considerable appetite for improvements to services delivery.
- Council had considerable appetite for improved efficiency of Council operations.
- There is no appetite for non-compliance with legal, professional and regulatory requirements.
- There is no appetite for decisions that have a significant negative impact on Council long term financial sustainability.
- Council acknowledges that it will have to take some calculated risks in order to achieve its strategic objectives. However, in taking such risks Council must consider current financial and human capacity and the potential impact on longer term financial, environmental and social sustainability.

Risk tolerance is the amount of risk an organisation is willing to bear in respect of a particular function, activity or risk type. Ideally, the tolerance is quantified, but in any event is expressed so that relevant management responsibilities are absolutely clear.

Risk tolerance is effectively the quantification of Council’s risk appetite. Risk tolerance which cannot be expressed in financial terms is more difficult to quantify and needs to be closely assessed as risks are identified and analysed. Council’s risk tolerances are detailed in the likelihood and consequence tables appended to this Strategy.

MPSC will identify the range of risks that are present in all areas of council operations.

Moree Plains Shire Council will develop risk profiles for the whole organisation to identify the current levels of risk facing the organisation. Council’s risk profile identifies, a range of risk events common to local government and Council’s relative risk exposure to those risk event for specific Council functions.

The risks will then be assessed in accordance with the established methodology detailed in this plan. To do this Council will apply the following parameters established by the organisation:

1. Identify risks in accordance with the scope set out in the adopted ERMS;
2. These risk will form the bases of the Operation and Strategic Risk Registers;
3. Assess these risks;
4. Determine appropriate treatment strategies where necessary;
5. Develop a treatment or action plan to implement treatment options and update the Registers to reflect this information.
6. Monitor the risks
7. Re-Assess or update treatments strategies as required but at least annually.

Risk Identification

Risk identification is the process of identifying risks facing Council. This involves thinking through the sources of risks, the potential hazards and opportunities, the possible causes and the potential exposure. The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives. Risk identification occurs within the context of the risk management activity, procedure or process. The following categories of risk should typically be considered:

1. Strategic risks; and
2. Operational risks:
 - i. Financial;
 - ii. Reputational;
 - iii. Governance and Regulatory;
 - iv. Property and Infrastructure;
 - iv. Public and Workplace Safety; and
 - v. Environmental

Moree Plains Shire Council will:

- Identify those risks that can potentially impact on the achievement of strategic objectives;
- Identify those key operational risks that are inherent in the main functions performed by the organisation;
- Utilise a common Risk Register for all risk identified;
- Establish a culture where individual activities are risk assessed as part of every function performed.

It is important to undertake a systematic and comprehensive identification of all risks including those not directly under the control of Council because a risk that is not identified at this stage will not be included in further analysis.

Risk Analysis

Once risks have been identified, they are then analysed. Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur. At this point, no consideration is given to existing controls. The method for identifying and analysing risks will be in accordance with Australian Standard AS/NZ 31000:2009 Risk Management – Principles and Guidelines, using the qualitative method of likelihood and consequence.

The **likelihood** of occurrence is the probability of an event occurring. When considering the likelihood of a risk, you need to consider both the probability and frequency of occurrence. Council has adopted the likelihood ratings shown in Appendix B.

The **consequence** assessment is the effect or impact of the risk event. Council has adopted the consequence ratings shown in Appendix C.

Inherent Risk

Inherent risk is the original risk, prior to any mitigation. It is determined by combining the likelihood and consequence ratings. Ultimately, the level of inherent risk will determine how a risk is treated. The table shown in Appendix D depicts the **Risk Matrix** adopted by Council to evaluate all risk levels effecting the organisation.

Risk Evaluation

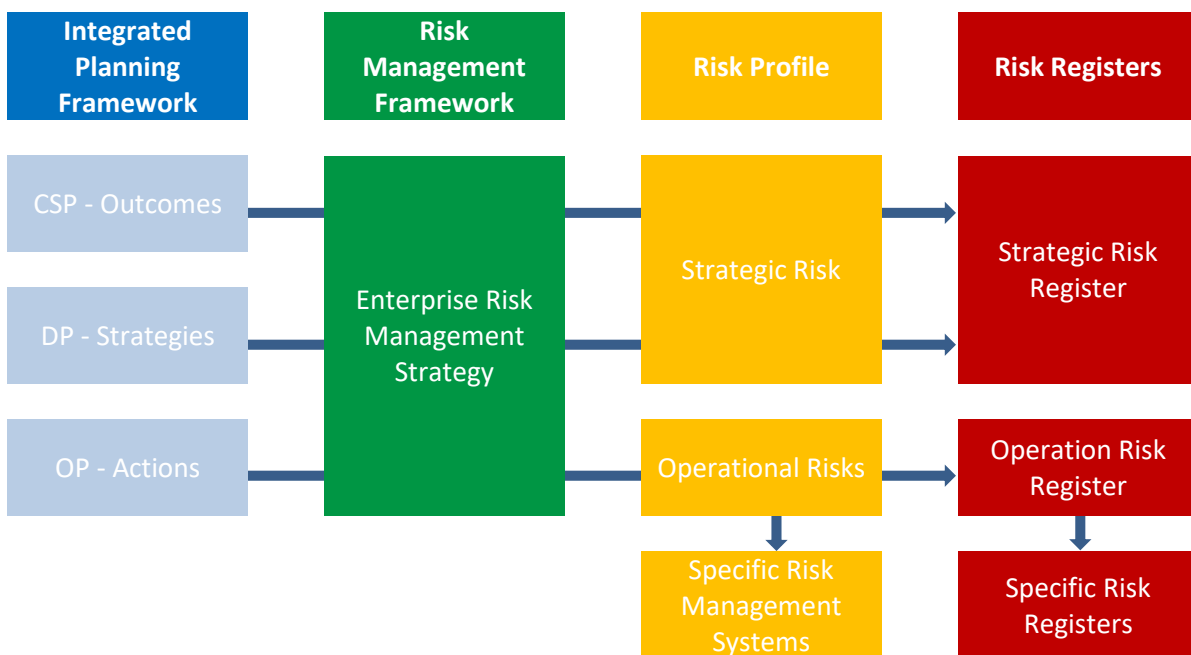
Risk evaluation involves comparing the level of risk found during the analysis process against Council’s known priorities and requirements. The output of the risk evaluation is a prioritised list of risks for

further action. Risk evaluation will occur for all Council activities including being embedded in the MPSC Integrated Planning and Reporting Framework.

Council’s Operational Plan includes details on proposed risk management activities for the coming year and discusses any key risk management issues.

The evaluation of risk and the results must be included in all reports to Council.

The relationship between risk registers and corporate objectives is outlined below.



Risks entered in the Risk Register are:

- As identified through Risk Assessments or other process. E.g. audit.
- Following reported incidents
- Following significant near miss
- Risks requiring escalation, as directed by RMG or the WHS Committee

Project Management

A key part of all project planning will also include identifying key risks that may impact on objectives as well as strategies and controls in place to manage these.

Council will implement a Project Management Framework which will include a risk analysis to be undertaken prior to embarking on any major projects, tenders, procurement activities or other new initiatives. The analysis should clearly detail the risk involved and the controls in place or propose to manage those risks.

Clause 309 of the WHS Regulation outlines that all construction project (i.e. construction projects costing \$250,000 or more must have a written WHS management plan prepared by the principal contractor before work on the construction project commences.

The WHS management plan must contain:

- Names of persons at the workplace whose positions or roles involve specific health and safety responsibilities, e.g. site supervisors, project managers, first aid officers
- Arrangements for consultation, cooperation and coordination
- Arrangements for managing incidents
- Site-specific health and safety rules and how people will be informed of the rules
- Arrangements to collect and assess, monitor and review SWMS.

The following provides a guide when determining whether a project or initiative requires formal risk assessment:

- The acquisition, development or disposal of real property;
- Project/initiative which will have significant impact on the community and/or environment;
- New expenditure in excess of \$150,000;
- Project/initiative which has significant impact on Council’s ability to achieve key objectives; or
- Project/initiative with high potential for fraud, corruption or serious and substantial waste.

Risk Treatment

To control a risk, there is a need for it to be correctly and realistically evaluated or assessed to determine the best option for risk removal or minimisation.

Treatment strategies will be in accordance with adopted corrective actions. The strategies will be derived from the risk assessment that will include determining what treatment/controls are required for a specific risk. For the day to day functions of councils, when considering treatments/ controls this should always include:

- Conducting a fault analysis to determine the core or root cause of the issue;
- The review of existing processes and procedures;
- The development of procedures where none exist;
- Educating staff that are affected by the procedures

Regular risk assessments shall be conducted as required for particular activities and projects that council or organisations/groups on behalf of council undertake. This includes such activities as public events, projects, contractual arrangements and any function where the conditions, situation, or nature of that task may introduce different risks. Risk assessments shall become commonplace in all activities of council as a powerful aid in the decision making process.

Risk assessments conducted for key ongoing activities of Council will become the basis upon which existing procedures are reviewed or new procedures developed to integrate controls identified in the assessments as required to minimise any risk potential.

Risk treatment involves selecting one or more options for modifying risks and implementing those options. It involves identifying and evaluating existing controls and management systems to determine if further action (risk treatment) is required.

Existing controls are identified and then assessed as to their level of effectiveness. Risk control options (which are not necessarily mutually exclusive), include the following:

1. Risk Avoidance – avoid the identified risk by deciding not to proceed with the activity likely to generate risk;
2. Reduce the likelihood of occurrence through measures such as: audits; contract conditions, preventative maintenance; engineering controls; inspections; training; process, policies and procedures; and
3. Reduce the consequences through measures such as: contingency planning; disaster recovery plans; contractual arrangements; financial management controls; project plans.
4. Risk Sharing – distribute the risk to other parties e.g. contracting to a business that has the requisite qualifications and skills or through insurance.
5. Risk Retention – planned acceptance of a risk or retaining the risk through informed decision. This should also only be considered when the risk is not adequate enough to warrant the added cost it will take to avoid that risk.

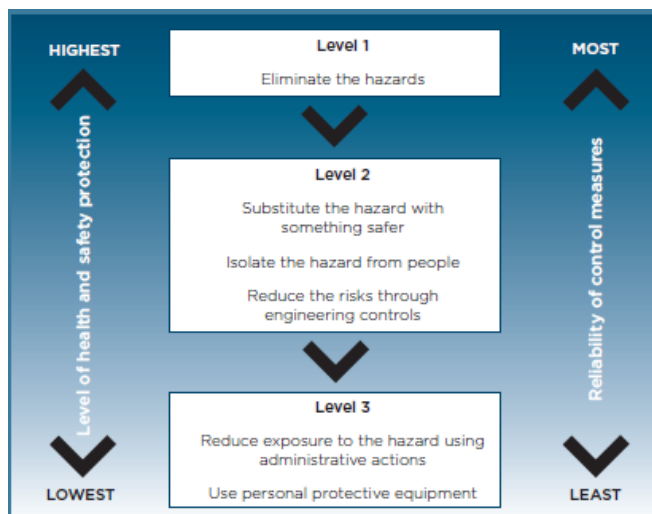
WHS

MPSC will identify all hazards relating to workplace safety and treat these by completing risk assessments. The risk assessment will determine what is reasonably practicable to protect people from harm by taking into account and weighing up all relevant matters including:

- the likelihood of the hazard or risk occurring;
- the degree of harm that might result from the hazard or the risk;
- knowledge about the hazard or risk;
- ways of eliminating or minimising the risk;
- the availability and suitability of ways to eliminate or minimise the risk.

It is only after the extent of the risk has been assessed and the available ways of eliminating or minimising it have been reviewed, that the cost associated with managing the risk should be considered, including whether they are grossly disproportionate to the risk.

The ways of controlling risks are ranked from the highest level of protection and reliability to the lowest as shown below. This ranking is known as the **hierarchy of risk control**.



The WHS Regulations require duty holders to work through the hierarchy when managing health and safety risks.

Residual Risk

Residual risk is the level of risk after considering any risk treatment and existing controls. It is determined by applying the effectiveness of the controls in place to the inherent risk. Ultimately, the level of residual risk will determine how a risk is managed.

When a residual risk is assessed as **Extreme** Council has determined that the risk is not acceptable. A Risk Treatment Plan must be developed in order to reduce the risk to an acceptable level within an appropriate time frame. The information provided in risk treatment plans should include:

1. The reasons for selection of treatment options, including expected benefits to be gained;
2. Those who are accountable for approving the plan and those responsible for implementing the plan;
3. Proposed actions;
4. Timing and schedule.

For the various levels of residual risk, the following escalation process must be followed:

High or Extreme: Requires immediate risk treatment as the potential risk exposure could be devastating to the organisation. The existence of a High or Extreme residual risk and any proposed action to further treat such a risk must be reported to the General Manger and RMG for consideration as soon as possible. RMG and/or the General Manager must determine whether the proposed risk treatment, including the time frame for implementation, is acceptable. In some rare cases RMG and/or the General Manager may determine to accept a High residual risk without further treatment where the cost of treatment exceeds the benefit and the objective being pursued is considered critical. In such cases, the reason for accepting the risk without further treatment must be documented.

Medium: Require monitoring and may require action at some point in the near future, as it has the potential to be damaging to the organisation. Medium risks and any proposed action to further treat such risks must be reported to the relevant director and/or RMG for consideration as soon as practicable. The relevant director and/or RMG must determine whether the proposed risk treatment, including the time frame for implementation, is acceptable. Medium risks are acceptable, generally when the cost of further treatment exceeds the benefit. In such cases, the reason for accepting the risk without further treatment must be documented.

Low: Low risks are generally acceptable and do not require any formal sign off. Low risks should continue to be monitored and re-evaluated on a regular basis. Low risks can generally be treated with routine procedures.

Monitoring and Review

Few risks remain static, risks will be continuously monitored and reviewed, including for the effectiveness of the controls in place. Any risk treatment plans will be assessed to ensure changing circumstances do not alter risk priorities. Feedback on the implementation and the effectiveness of the ERMS will be obtained from the risk reporting process, internal audits and other available information.

Key Risk Indicators may be developed to monitor risks on an ongoing basis. These are operational in nature and should be determined by the risk owner once risks and their causes have been identified.

Communication and Consultation

Communication and consultation with external and internal stakeholders should take place during all stages of the risk management process.

Effective communication and consultation with key stakeholders regarding risk management processes, issues and initiatives is critical to the success of Council’s risk management framework. Being able to effectively communicate and know when to consult is essential not only to avoid negative outcomes later in the process but also because it can bring a wealth of information not previously considered.

Staff must ensure that relevant stakeholders are informed, consulted and if necessary, involved in risk management activities that affect them or for which they may be able to contribute. In particular, stakeholders who may be effected by, or may have knowledge regarding, risks must be consulted regarding the assessment and evaluation of such risks.

A consultative team approach may:

- help establish the context appropriately;
- ensure that the interests of everyone are understood and considered;
- help ensure that risks are adequately identified;
- bring different areas of expertise together for analysing risks;
- ensure that different views are appropriately considered when defining risk criteria and in evaluating risks; and
- secure endorsement and support for a treatment plan;

Moree Plains Shire Council communicates internally and externally with a variety of stakeholders. It is important to consider and apply the appropriate method of communication and consultation during the development of any council plan, project or activity. Moree Plains Shire Council’s Community Engagement Strategy describes the various stakeholders and communication methods used to communicate our organisations activates and initiatives at all levels.

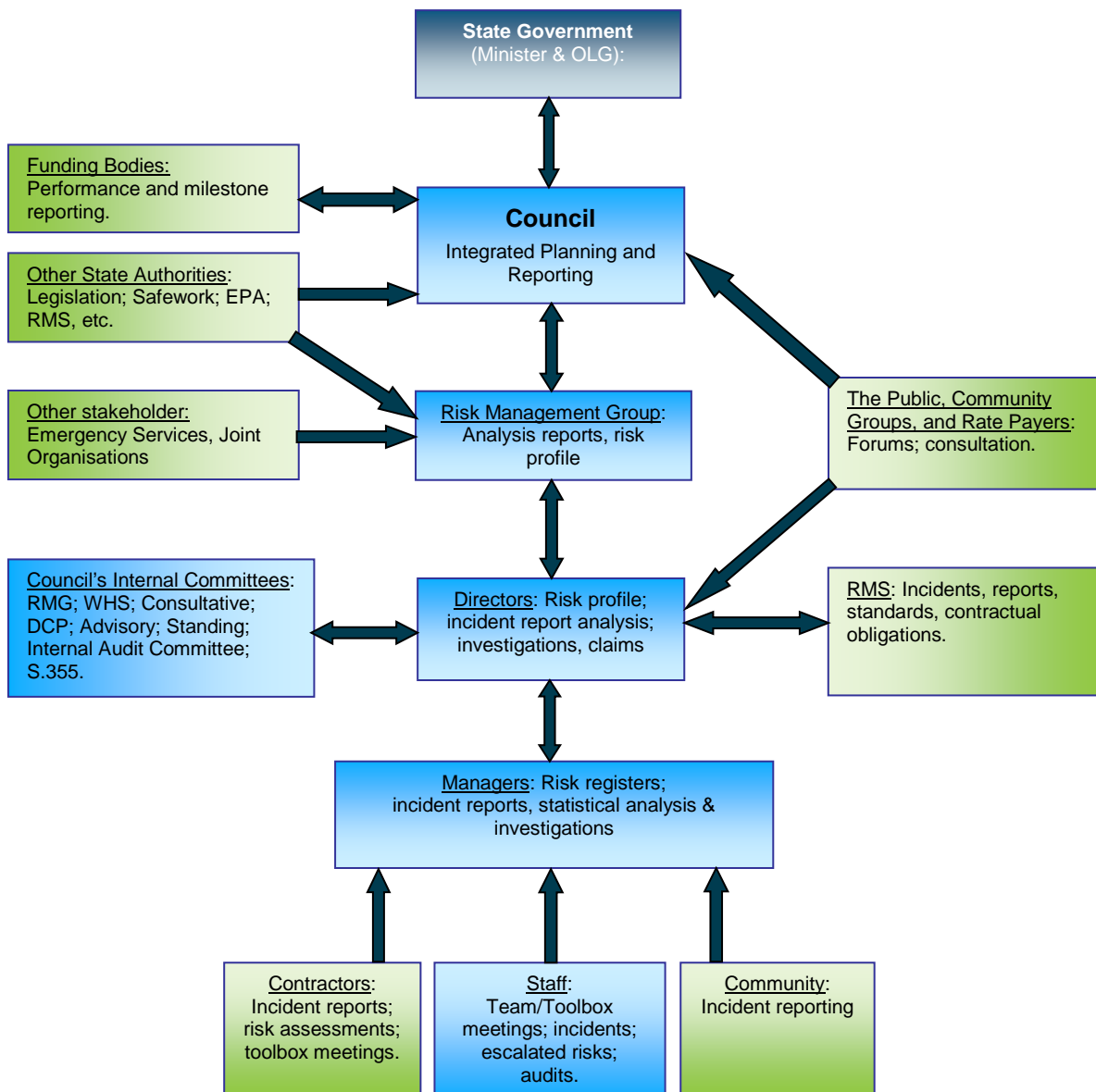
MPSC risk reporting is outlined in the following table, some of our stakeholders are identified as are the links demonstrating how we report and communicate our risk management processes to them.

Risk Reporting

Effective management of risk within an organisation also depends on the effectiveness of its recording and reporting mechanisms.

Recording and reporting aims to communication ERM activities across the organisation, provide information for decision making and improvr risk management activities.

Various stakeholders may influence or be directly or indirectly affected by risk management decisions made by Council. Similarly, Council may be affected or influenced, directly or indirectly by decisions and or actions taken by these stakeholders. The requirements for recording and reporting, both internally and externally can be illustrated in the following manner:

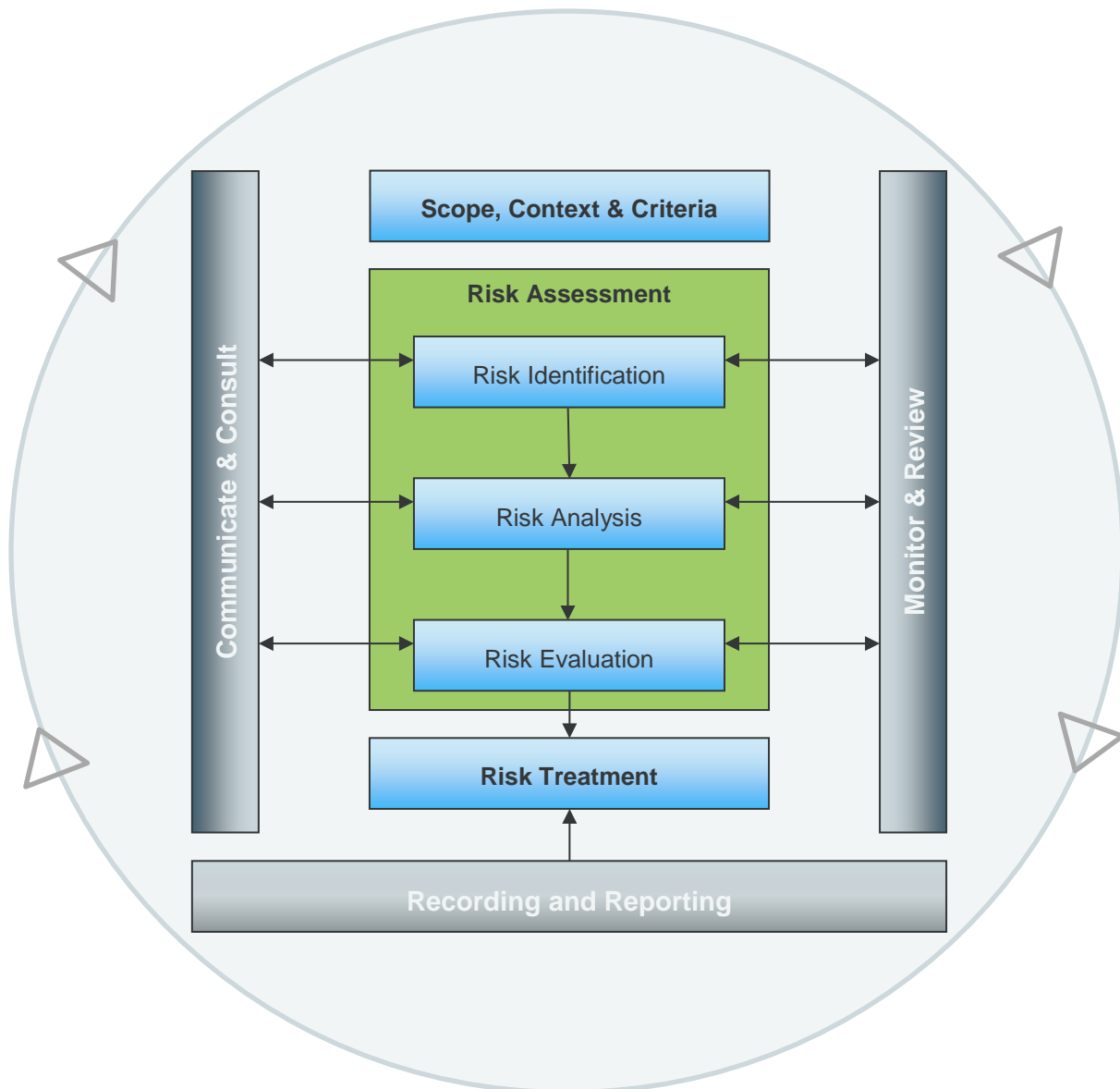


Key: Stakeholders MPSC

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C	Consequence Rating
D	Risk Matrix
E	Summary of Key Risk Management Activities
F	Risk Management Advisory Group Charter
G	Strategic Risk Register

Appendix A AUS/NZS ISO 31000:2009 Risk Management Process



Source: ISO 31000:2018 Risk Management –Guidelines

Appendix B Likelihood Table

The descriptors for 'Likelihood' are the same for all risk exposures:

Category	Description
Almost Certain	<p>Expected to occur most times during normal operations.</p> <ul style="list-style-type: none"> There is a frequent past history at Moree Plains Shire Council or another NSW Council in the past.
Likely	<p>Will probably occur at some stage based on evidence of previous incidents</p> <ul style="list-style-type: none"> Has occurred at Moree Plains Shire Council in the last few years or has occurred recently at another NSW Council. Circumstances have occurred that will cause it to happen in the next few years.
Possible	<p>Not generally expected to occur but may under specific circumstances.</p> <ul style="list-style-type: none"> Has occurred at least once in the history Moree Plains Shire Council or in similar sized NSW Council's.
Unlikely	<p>Conceivable but not likely to occur under normal operations; no evidence of previous incidents.</p> <ul style="list-style-type: none"> Has never occurred at Moree Plains Shire Council but has occurred infrequently at another NSW Council.
Rare	<p>Only ever occurs under exceptional circumstances.</p> <ul style="list-style-type: none"> Has not occurred to date at Moree Plains Shire Council or any other NSW Councils.

Appendix C Consequence Table

Category	Insignificant	Minor	Moderate	Major	Catastrophic
Compliance	Isolated non-compliance or breach; minimal failure of internal controls managed by normal operations. Negligible financial impact.	Contained non-compliance or breach with short term significance; some impact on normal operations. Minor financial impact	Serious breach involving statutory authority or investigation; prosecution; sanctions, loss of licenses and penalties. Significant impact on normal operations and finances.	Major breach with fines and litigation; long term significance and major financial impact. Viability of section of the organisation threatened.	Extensive fines and litigation with possible class action; viability of organisation threatened.
Environment	Minimal physical or environmental impact on-site, isolated release only.	Minor physical or environmental impact contained on-site: Managed immediately.	Significant physical or environmental impact extending off-site: Managed by internal services; or with external assistance.	Extensive physical or environmental impact extending off-site: widespread coordinated response; managed by external services.	Irreversible environmental impairment covering an extensive area of the Shire. Long term remediation required.
Financial	Negligible financial loss causing a deviation from the Operational Plan. No impact of program or business operations.	Minor financial loss causing a deviation from the Delivery Program. Minimal impact on program or business operations.	Significant financial loss causing a deviation from items in the Community Strategic Plan relating to Council. Considerable impact on program or business operations.	Major loss of financial reserves, causing a substantial reduction of services and programs. Severe impact on program or business operations.	Extensive loss of financial reserves, threatening the immediate operations of the organisation.

Category	Insignificant	Minor	Moderate	Major	Catastrophic
Governance	Isolated, internal or minor complaint or action; minimal failure of internal controls managed by normal operations.	Contained complaint or action with short term significance; some impact on normal operations.	Significant non-compliance, complaint or action involving statutory authority or investigation, significant failure of internal controls; prosecution possible, adverse publicity at a local level with significant loss to organisation.	Major breach with formal inquiry, critical failure of internal controls; widespread adverse publicity. Disputes involving multiple individuals, work sites; civil actions, litigation.	Extensive breach involving multiple individuals. Widespread adverse publicity. Disputes involving multiple individuals, work sites; civil actions, litigation. The viability of organisation threatened.
Property and Infrastructure	Isolated or minimal loss: short term impact; repairable through normal operations.	Minor loss with limited downtime: short term impact; mostly repairable through normal operations.	Significant loss with temporary disruption of services; medium term impact on organisation.	Critical loss or event requiring replacement or property or infrastructure with extensive loss and long term consequences; long term impact to the organisation or threat to viability of many services and operation. Unable to fund repairs without external assistance. Property, infrastructure and/or information.	Disaster with extensive loss and long term consequences; threat to viability of service, operation and organisation. Unable to fund repairs. Property, infrastructure and/or information.

Category	Insignificant	Minor	Moderate	Major	Catastrophic
Reputation	Isolated, internal or minimal adverse attention or complaint.	Heightened local community concern or criticism.	Significant public criticism, potential national adverse media attention. Impacting on some organisational resources.	Serious public and media outcry, potential national/international adverse media attention. Having significant impact on organisational resources and partnerships.	Extensive public outcry, potential national/international adverse media attention. Threatening the viability of the organisation.
Work Health Safety	First aid only required.	Minor medical treatment with or without potential for loss of time.	Significant injury involving medical treatment or hospitalisation and lost time.	Individual fatality or serious long term injury.	Multiple fatalities or extensive long term injury.
Positive Consequences	Small benefit, low financial gain.	Small benefit, some financial gain.	Some enhancement to reputation, high financial gain.	Enhanced reputation, major financial gain.	Significantly enhanced reputation, huge financial gain.

Appendix D Risk Matrix

The method for identifying and analysing risks will be in accordance with current international and Australian Standard for Risk Management, using the qualitative method of likelihood and consequence. Council has adopted the Statewide Mutual accepted Risk Matrix.

The level of risk is proportionate to both the likelihood and consequence should be measured according to the matrix set out below:

Risk Matrix		Consequences				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood	Almost Certain	Medium (8)	High (16)	High (20)	Extreme (23)	Extreme (25)
	Likely	Medium (7)	Medium (12)	High (17)	High (21)	Extreme (24)
	Possible	Low (4)	Medium (10)	High (15)	High (18)	High (22)
	Unlikely	Low (2)	Low (5)	Medium (11)	Medium (13)	High (19)
	Rare	Low (1)	Low (3)	Medium (6)	Medium (9)	High (14)

Risk Level	Action Required
EXTREME - STOP Top Priority <i>This rating level is not acceptable</i>	<ul style="list-style-type: none"> • Cease Activity – Report Immediately to Divisional Manager, MANEX/RMG and/or relevant Director. • Consider alternative activity unless appropriate controls are implemented. • Develop specific controls for immediate implementation to address high risks. Allocate actions and budget for implementation. • Report to RMG on effectiveness of controls.
HIGH – STOP Urgent Attention	<ul style="list-style-type: none"> • Report to MANEX/RMG within one week • Develop and implement specific controls for serious risks. Allocate actions and budget for implementation. • Consider alternative activity unless appropriate controls are implemented • Monitor implementation to ensure effective.
MEDIUM – STOP Review & Monitor	<ul style="list-style-type: none"> • Develop and implement specific controls for medium risks. • Allocate actions and budget to minimize risk where existing controls deemed inadequate and monitor implementation. • Management to consider additional controls. • Report to RMG within one (1) month
LOW – Proceed Identify & Monitor low priority risks	<ul style="list-style-type: none"> • Accept and monitor low-priority risks. • Manage via routine procedures where possible and monitor via normal internal reporting mechanisms.

Appendix E Summary of Key Risk Management Activities

Action	Description:	Responsibility	Timing
Review ERMS	Review the currency and effectiveness of Council's ERMS.	Council to adopt (review completed by RMG)	Every four years
Review RM Policy	Review the currency and effectiveness of Council's Risk Management Policy.	Council to adopt (review completed by RMG)	Every four years
Review Risk Registers	Review risks and controls contained in Council's operational risk register and identify new or emerging risks.	All Risk Owners to complete review/report as part of the Operational Plan	Annually.
Implement RTP's	Implement actions contained in risk treatment plans.	Risk Owners	As identified in the RTP.
Risk Status/Incident Reports	Identify and review risk issues arising from risk reports and/or incident reports. Review the current status of risks, incidents and other relevant issues.	RMG	Quarterly
Risk management and risk assessments for major projects/initiatives	Manage the risks associated with the carrying out the project/initiative. Conduct risk assessments as required for major new or altered activities.	Executive Project Manager/relevant Risk Owner	Prior to deciding to proceed with the new project/ initiative.
Operational Plan	Identify key risks that may impact on objectives and strategies and controls in place/proposed to manage these.	Managers/Risk Owners (overseen by RMG)	Annually
Training	Ensure risk owners and other staff are aware of the risk management process and their obligations	Risk Manager/Workplace Risk and Safety Coordinator	Refresher for all Risk Owners every five years. Introduction for all new staff at induction.
Staff Performance Review	Ensure ERM responsibilities are included in position descriptions and employment contracts and that performance of managers is assessed on a regular basis	Directors/Human Resources	Annually
Communication	Ensure staff are aware of relevant risk management issues and have access to risk Management tools.	RMG	Ongoing

Appendix F Moree Plains Shire Council Risk Management Advisory Group Charter.**1. Name:**

1.1 The committee shall be known as the Moree Risk Management Group (RMG).

2. The Charter:

2.1 This charter establishes the role and responsibilities of the Risk Management Group within the governance structure of the Moree Plains Shire Council.

3. Objectives/Aims:

3.1 To develop a strategic risk profile for Council;

3.2 Co-ordinate initiatives for the avoidance of, or control of risks;

3.3 To make policy recommendations to the Council in regard to managing risk issues;

3.4 To make recommendations for inclusion in the Delivery Program and Operational Plan regarding the management of risk issues.

3.5 To effectively communicate to staff/contractors and community regarding risk issues.

3.6 To improve the culture of risk management within the organisation.

4. Responsibilities:

4.1 Play an active role in establishing a positive risk culture at Council;

4.2 Show leadership and commitment to risk initiatives,

4.3 Ensure risk issues are communicated regularly with staff, after each meeting,

4.4 To gather and seek information regarding risk issues,

4.5 Ensure action plans/ remedial actions are followed up to completion by due date,

4.6 Review and update as necessary, business continuity arrangements for Council.

4.7 Committing the time to attend ALL meeting prepared so that you fully understand the impact a risk issue may have on your department,

4.8 To have a representative at the regional risk meetings,

4.9 To undergo any training required of their position on the advisory group.

5. Committee Membership:

5.1 The RMG membership shall comprise the following:

- The General Manager
- Those employees deemed as reportable 'Officers' of Council as defined by the Local Government Act, including:
 - Director of Corporate Services
 - Director of Engineering Services
 - Director of Planning and Community Development
 - Water and Waste Manager
 - Operations Manager

- Project and Development Manager
- Water Services Manager
- Executive Projects Manager
- Asset Manager

5.2 The RMG will be supported and advised by the following staff:

- Human Resources (HR) Manager
- HR Officer (Return to Work)
- Risk Manager
- Workplace Risk and Safety Coordinator
- Commercial Services Coordinator

5.3 Administrative support will be provided by the Executive Assistant;

5.4 Members of the RMG shall undergo recognised training and education to ensure effective participation within the Advisory Group;

5.5 A nominated member will cease to be a member of the Advisory Group if he/she:

- Ceases to be an employee of Council.

6. Office Bearers:

6.1 The group will be chaired by the Director of Corporate Services

6.2 An agenda for regular meetings will be distributed to all members with a minimum of three days' notice;

6.3 A quorum will consist of five (5) of the representatives on the Group;

6.4 Recommendations will be made by consensus;

6.5 Where consensus cannot be reached decisions will be made by the General Manager;

6.6 The Executive Assistant will provide all support required including agendas, meeting venues and minutes.

7 Authority:

7.1 The RMG has the delegated authority to:

- Make decisions for organisation relating to risk and risk management.
- Seek any information it needs from Council staff and external parties;
- Obtain outside independent advise as needed;
- Arrange attendance of appropriate persons with required expertise and experience;
- To co-opt staff to participate in working groups, focus meetings, surveys and interviews.

8 Meeting Schedule

8.1 The RMG shall meet at least on a quarterly basis, being the first Tuesday of each quarter;

8.2 Additional meetings shall be convened as required.

9. Monitoring and Reporting:

- 9.1 It is the responsibility of the sub-committees and task groups established by the committee to report on progress compared with action requests to each RMG meeting.
- 9.2 The RMG will report progress through Council's Operational Plan reports and communications with staff.
- 9.3 Copies of the RMG minutes are provided to Councillors, once adopted by RMG.

9. Review process.

- 9.1 The charter is to be reviewed as required, or in line with the ERMP on a quadrennial basis.
- 9.2 Changes need to be made with the full consensus of all members.

Appendix G - Strategic Risk Register

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
<p>Council Reputation</p> <p>Ineffective engagement of stakeholders (including State and Federal Government)</p> <p>Lack of political continuity</p>	<ul style="list-style-type: none"> - Adverse publicity in the local media - Lack of confidence in organisation - Expectation of community is not managed - National Media Exposure (extended) - Weak identity <ul style="list-style-type: none"> - Not presenting clear defined objectives to the Community. - Ineffective use of resources - Inappropriate lobbying - Cost Shifting - Changing expectations of other government tiers 	<p>High</p>	<p>EXECUTIVE</p> <p>GM</p> <p>GM</p> <p>GM</p> <p>Director Corporate Services General Manager</p>	<ul style="list-style-type: none"> • Promotion of positive information in media. Media releases, Council Clipboard. • Using various media to promote the organisation, brochures etc • Social media policy • Community Strategic Plan • Community Engagement Strategy • Engagement with community through consultation/ advisory committees/ school students in Council/ connectivity with peak bodies such as Chamber of Commerce. • Actively seeking recognition as MPSC - speak at forums/ promotion. • Reconciliation Action plan <ul style="list-style-type: none"> • Councillor briefings/ councillor training/ strategic planning 4 years (Delivery Programme), 10 years (Community Strategic Plan). • Code of Conduct • Public Interest Disclosures Policy and Procedures. 	<p>Medium</p>

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
<p>Financial Viability</p> <p>Reduction in income</p> <p>Fraud/theft</p> <p>Increasing costs (insurance/inputs)</p> <p>Loss of major contracts (RMS)</p>	<p>- Unable to meet financial commitments</p> <p>- Limited Cash Flow</p> <p>- Reduced work output</p>	<p>High</p>	<p>CORPORATE SERVICES Director Corporate Services</p> <p>GM Director Corporate Services</p> <p>Director Engineering</p>	<ul style="list-style-type: none"> Ministerial Order on allowable investments, Council approved Investment Policy which further limits the scope. Only GM or authorised delegated authority can approve investments (decision making regarding financial investment). 10 Year Financial Plan Delivery Programme and Operational Plan. Monthly and Quarterly Reporting. Budget - approved by Council Annually Systems in place to enable staff to manage budgets (i.e. Power Budget Dash Boards) Regular reports on issues relating to staff such as utilisation, overtime/ turnover/ exits Financial Auditing Controls in place for avoidance of fraud e.g. two to sign/ delegations/ checking/ external audits. Procurement guidelines and purchasing policy. Asset Register – Maintain current register to ensure valuations are appropriate and assets insured. Quality assured contract. Audits every three (3) months. 	<p>Medium</p>

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
Loss or reduction in major funding (FAG's, R2R) Cost shifting	<ul style="list-style-type: none"> - Cessation of some services - Additional strain on financial resources 		GM Director Engineering GM	<ul style="list-style-type: none"> • Lobby government. • Review other funding options, partnerships with government to complete projects. • Lobby Government • Member of the New England Joint Organisation (JO) of Councils who proactively advocate against responsibility shifting. • Reviewing resource sharing with other JO members to relieve some cost shift burden. 	
Regulatory Compliance Liability – internal and external Statutory/Legislative Breaches	Penalties, litigation and/or losses, damage to reputation (personal and organisational): <ul style="list-style-type: none"> - WHS - Discrimination - Governance and Statutory Reporting - Environmental - Privacy - Fraud - PID - Code of Conduct 	High	MANEX GM Director Corporate Services	<ul style="list-style-type: none"> • Ensuring staff are skilled/qualified and up to date with obligations. • Recruitment process -reference checks etc. to guard against misrepresentation. • Implementation of PID policy, officers and training for staff. • Quarterly reports on issues such as Workers Comp. • External watchdogs such as DLG/ ADB/ ICAC actively engaged to review our processes and training staff. • Policies development, implementation and enforcement such as WHS, Code of Conduct, EEO. • Annual reports on compliance issues internally and externally. • Audits and proactive development, review and update of systems/policies. 	Medium

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
				<ul style="list-style-type: none"> • Risk Management Group • Internal Audit and Audit Committee • Systems (e.g. Powerbueget, Authority, GIS) to track budgets, check accuracy and legitimacy of data. • Reporting on CSP, the Delivery Program, Operational Plan and Budget. • EPA compliance reporting on licences. • Information Management Systems 	
Climatic Fluctuations		Medium	ENGINEERING		Medium
Floods	<ul style="list-style-type: none"> - Damaged infrastructure. - Failed/Destroyed infrastructure. 		Director Engineering	<ul style="list-style-type: none"> • Flood mitigation and mapping 	
Droughts	<ul style="list-style-type: none"> - Shorter service life. - Employment fluctuations. 		Director Corporate Services	<ul style="list-style-type: none"> • EMPlans • Business Continuity Plan • Asset Management Plans 	
Heat waves	<ul style="list-style-type: none"> - Increase in employment and operational costs. 		Director Engineering GM	<ul style="list-style-type: none"> • Workforce plan 	
Storms	<ul style="list-style-type: none"> - Damaged infrastructure. 		GM Director Corporate Services Director Engineering	<ul style="list-style-type: none"> • Insurance • Asset Management Plans 	

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
Global Climate Change and decline of other industry in Moree	- Higher expectations on council to turn around decline with less resources to meet the challenge.		MANEX Director Community & Planning Development	<ul style="list-style-type: none"> Echelon Climate Change Report 	
Population Changes		High			High
Change in demographics of the Shire	- ↓ income		COMMUNITY DEVELOPMENT Director Community & Planning Development		
Aging	- ↑ demand on council services.		Director Community & Planning Development	<ul style="list-style-type: none"> Pedestrian Access Mobility Plan (PAMP) Shared Pathway Plan Library Services – large text books, reading services 	
Anti-Social behaviour (crime)	- Council must diversify its services to match need. - Change in community reputation and identity		Director Community & Planning Development	<ul style="list-style-type: none"> Crime Prevention Committees Reconciliation Action Plan 	
Decline in population	- Services withdraw from Moree (Government, banks)		Director Community & Planning Development		

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
<p>Ineffective management of urban development</p>	<ul style="list-style-type: none"> - Disorganised urban development - Land use conflicts - Impact on residents quality of life 	Low	<p>PLANNING</p> <p>Director Community & Planning Development</p>	<ul style="list-style-type: none"> • Strategic Planning. • LEP • DCP • Environmental Planning and Assessment Act • Floodplain Risk Management Plans 	Low
<p>Ineffective organisational development</p> <p>A lacklustre organisational culture which fails to embody innovation and drive resulting in lower productivity and responsiveness to change.</p>	<ul style="list-style-type: none"> - Fracture, unresponsive organisation. - Resource wastage. - Disharmony amongst staff, potential for industrial action. - Ineffective leadership. - Council is reactive not proactive. - In ability to retain high calibre staff and Councillors - Inability to resource high turnover and loss of knowledge - Failure to adequately protect the health and safety of workers 	High	<p>MANEX</p> <p>GM</p>	<ul style="list-style-type: none"> • Workforce Plan • Staff recognition and service awards • Family friendly policies (i.e. Parental Leave, Job Share, Carers Leave) • Workplace flexibility • Proactive health and wellbeing strategies <ul style="list-style-type: none"> - Proactive WHS • Annual workforce planning meetings • EEO Management Plan and Reconciliation Action Plan which includes our approach to Aboriginal employment • Training plans and investment in staff • External Benchmarking (HR Metrics) • External Market Research • Staggered retirements and redeployment options for injured workers • Knowledge management toolkit ready for implementation • Retirement Planning toolkit available for use 	Medium

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
			General Manager	<ul style="list-style-type: none"> • EAPS program • 5 year cycle of surveys re staff engagement – to inform actions • Recruitment of highly skilled employees • Trend analysis e.g. exit reports • Regional and state networks (e.g. JO’s) • Integrated Planning and Reporting Framework • Drug and Alcohol Management Plan • Consultative Committees (JCC and WHS) and regular team and whole of group/organisation updates • Implementation of more contemporary advertising and recruitment processes including marketing through LinkedIn and Indeed. 	
<p>Failure to achieve Council’s designated goals in the Community Strategic Plan Opportunities not maximised and threats not minimised Council not achieving key priorities and actions in line with the resources</p>	<ul style="list-style-type: none"> - Service delivery to the community is delivered ineffectively and/or inefficiently. - Various sector of the community do not have their needs met. - Future initiatives put in jeopardy. - Poor customer satisfaction levels. 	High	EXECUTIVE GM GM Councillors/GM	<ul style="list-style-type: none"> • Performance reported annually in the Annual Report. • Internal Audit and Audit Committee • Continued work by GM and Councillors with interagency networks 	High

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
	<ul style="list-style-type: none"> - Perception by other stakeholders of ineffective management or leadership. 		MANEX		
	<ul style="list-style-type: none"> - Loss of engagement with community. - Loss of credibility with other levels of government. - Loss of reputation 		GM	<ul style="list-style-type: none"> • Community Engagement Strategy • Adherence to the legislative requirements of reporting to Council and the community • Press Releases • Positive Social Media interaction with community 	
<p>Continue to provide services without assessing community needs, changing expectations across intergeneration's and current demographics.</p> <p>Lack of understanding of community expectations due to insufficient consultation</p> <p>Changes in demographics not planned in CSP</p> <p>Other tiers of government change service level requirements of Local Government (cost shifting).</p>	<ul style="list-style-type: none"> - Higher dissatisfaction in community - Loss grant funding opportunities - Funding gap for service levels 	High	<p>MANEX</p> <p>GM</p>	<ul style="list-style-type: none"> • Council Services levels approved in Delivery Program and Operational Plan. • Community Engagement Strategy 	Medium

The Risk	Potential Impact	Inherent Risk	Risk Owner	Existing Controls	Residual Risk
Council out of touch with the Community.			GM	<ul style="list-style-type: none"> Engagement Strategy Reconciliation Action Plan Social Media Media Releases Councillor community interactions 	
<p>Leadership team which delivers ad hoc governance practices providing the Community with little opportunity to realise greater benefit.</p> <p>Change of leadership in the Council</p> <p>Change in Councillor mix</p> <p>Disharmony amongst Councillors</p> <p>Disharmony amongst MANEX</p>	<ul style="list-style-type: none"> Lack of continuity, change in direction and focus. Loss of credibility with community. Failure to deliver services to the community. Lack of direction Loss of credibility Inefficient allocation of resources. 	High	<p>MANEX</p> <p>GM</p> <p>Councillors</p> <p>GM</p> <p>GM</p>	<ul style="list-style-type: none"> -4 year term for Councillors. Professional development opportunities for Councillors and senior staff. Delivery Program and Operational Plan Engaging the Councillors in an open and transparent manner. Providing our leaders with information so they can make informed decisions. Policies. Quarterly Reporting 	High

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