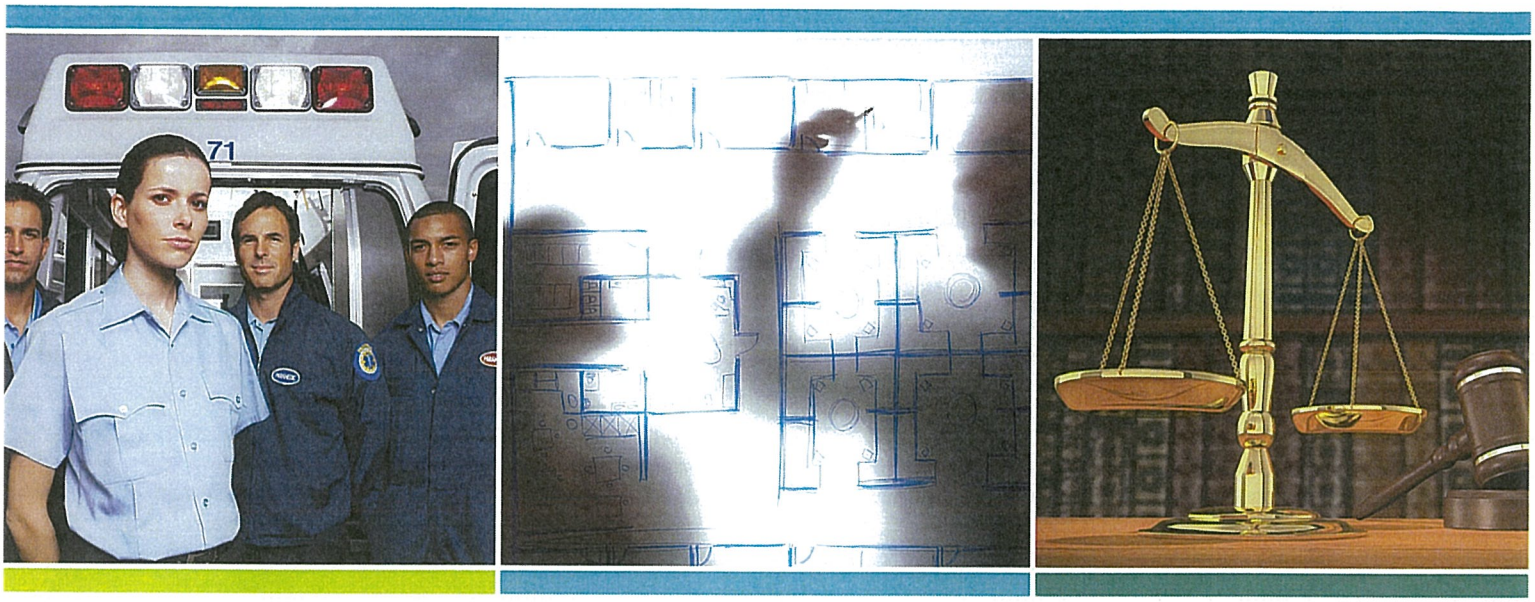


Risk Management Governance Framework

- Risk Management Policy
- Risk Management Procedures

Last Updated: September 2014

Version: 0.01 (Discussion Purposes)

Shire of York

Prepared by: LGIS Risk Management

Table of Contents

Introduction

The Policy and Procedures form the Risk Management Framework for the Shire of York ("the Shire"). It sets out the Shire's approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2009 Risk Management.

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

Further information or guidance on risk management procedures is available from LGIS Risk Management.

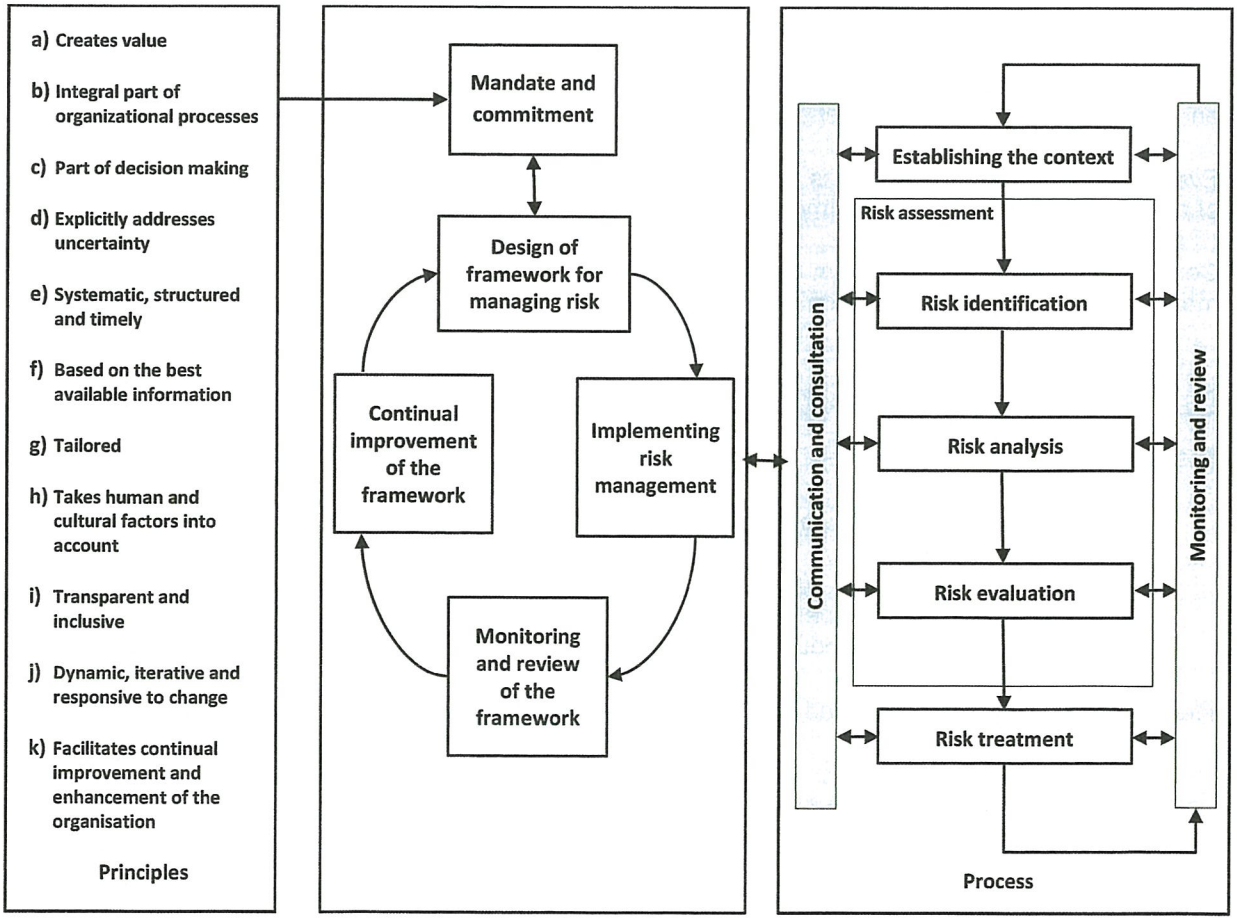


Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)

Risk Management Policy

Shire Requirement

Insert policy administration details/requirements where applicable e.g. Policy name, Implementation date, Revision date, Policy owner and delegations, Referenced legislation and standards.

Purpose

The Shire of York ("the Shire") Risk Management Policy documents the commitment and objectives regarding managing uncertainty that may impact the Shire's strategies, goals or objectives.

Policy

It is the Shire's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2009 Risk management), in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations or members of the public.

Risk Management will form part of the Strategic, Operational, Project and Line Management responsibilities and where possible, be incorporated within the Shire's Integrated Planning Framework.

The Shire's Management Team will determine and communicate the Risk Management Policy, Objectives and Procedures, as well as, direct and monitor implementation, practice and performance.

Every employee within the Shire is recognised as having a role in risk management from the identification of risks to implementing risk treatments and shall be invited and encouraged to participate in the process.

Consultants may be retained at times to advise and assist in the risk management process, or management of specific risks or categories of risk.

Definitions (from AS/NZS ISO 31000:2009)

Risk: Effect of uncertainty on objectives.

Note 1: An effect is a deviation from the expected – positive or negative.

Note 2: Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).

Risk Management: Coordinated activities to direct and control an organisation with regard to risk.

Risk Management Process: Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Risk Management Objectives

- Optimise the achievement of our vision, mission, strategies, goals and objectives.
- Provide transparent and formal oversight of the risk and control environment to enable effective decision making.
- Enhance risk versus return within our risk appetite.
- Embed appropriate and effective controls to mitigate risk.
- Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
- Enhance organisational resilience.
- Identify and provide for the continuity of critical operations

Risk Appetite

The Shire quantified its risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Procedures and are subject to ongoing review in conjunction with this policy.

All organisational risks to be reported at a corporate level are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

Roles, Responsibilities & Accountabilities

The CEO is responsible for the allocation of roles, responsibilities and accountabilities. These are documented in the Risk Management Procedures (Operational Document).

Monitor & Review

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Shire's Management Team and its employees. It will be formally reviewed two years.

Signed: .....

Chief Executive Officer

Date: ____/____/_____

Risk Management Procedures

Governance

Appropriate governance of risk management within the Shire of York (the "Shire") provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every two years.

Operating Model

The Shire has adopted a "Three Lines of Defence" model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

First Line of Defence

All operational areas of the Shire are considered '1st Line'. They are responsible for ensuring that risks (within their scope of operations) are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support the decisioning of risk matters.
- Prepare risk acceptance proposals where necessary, based on level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

Second Line of Defence

The Risk Framework Owner (RFO) acts as the primary '2nd Line'. This position owns and manages the framework for risk management. They draft and implement the governance procedures and provide the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1st & 3rd lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1st Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Co-ordinating the Shire's risk reporting for the CEO & Management Team and the Audit Committee.

Third Line of Defence

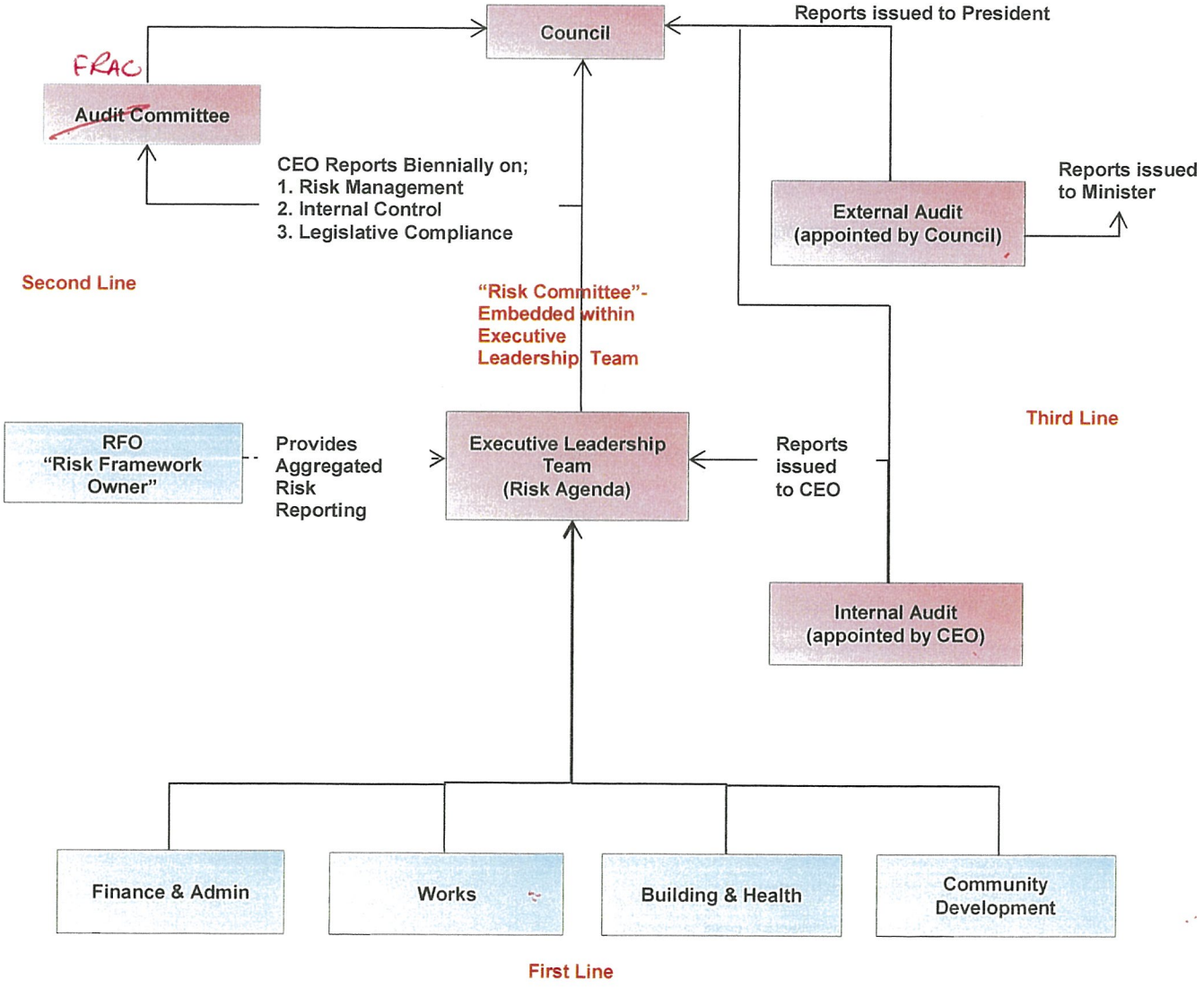
Internal & External Audit are the third line of defence, providing independent assurance to the Council, Audit Committee and Shire Management on the effectiveness of business operations and oversight frameworks (1st & 2nd Line).

Internal Audit – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Audit Committee.

External Audit – Appointed by the Council on the recommendation of the ~~Audit Committee~~ FRAC to report independently to the President and CEO on the annual financial statements only.

Governance Structure

The following diagram depicts the current operating structure for risk management within the Shire.



Roles & Responsibilities

Council

- Review and approve the Shire's Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint / Engage External Auditors to report on financial statements annually.
- Establish and maintain an Audit Committee in terms of the Local Government Act.

Audit Committee

Finance, Risk and Audit Committee (FRAC)

- Support Council to provide effective corporate governance.
- Oversight of all matters that relate to the conduct of External Audits.
- Must be independent, objective and autonomous in deliberations.
- Make recommendations to Council on External Auditor appointments.

CEO / Management Team

- Appoint Internal Auditors as required ~~under the Local Government (Audit) regulations~~.
- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues and trends.
- Document decisions and actions arising from 'risk matters'.
- Own and manage the Risk Profiles at Shire Level.

Risk Framework Owner (RFO)

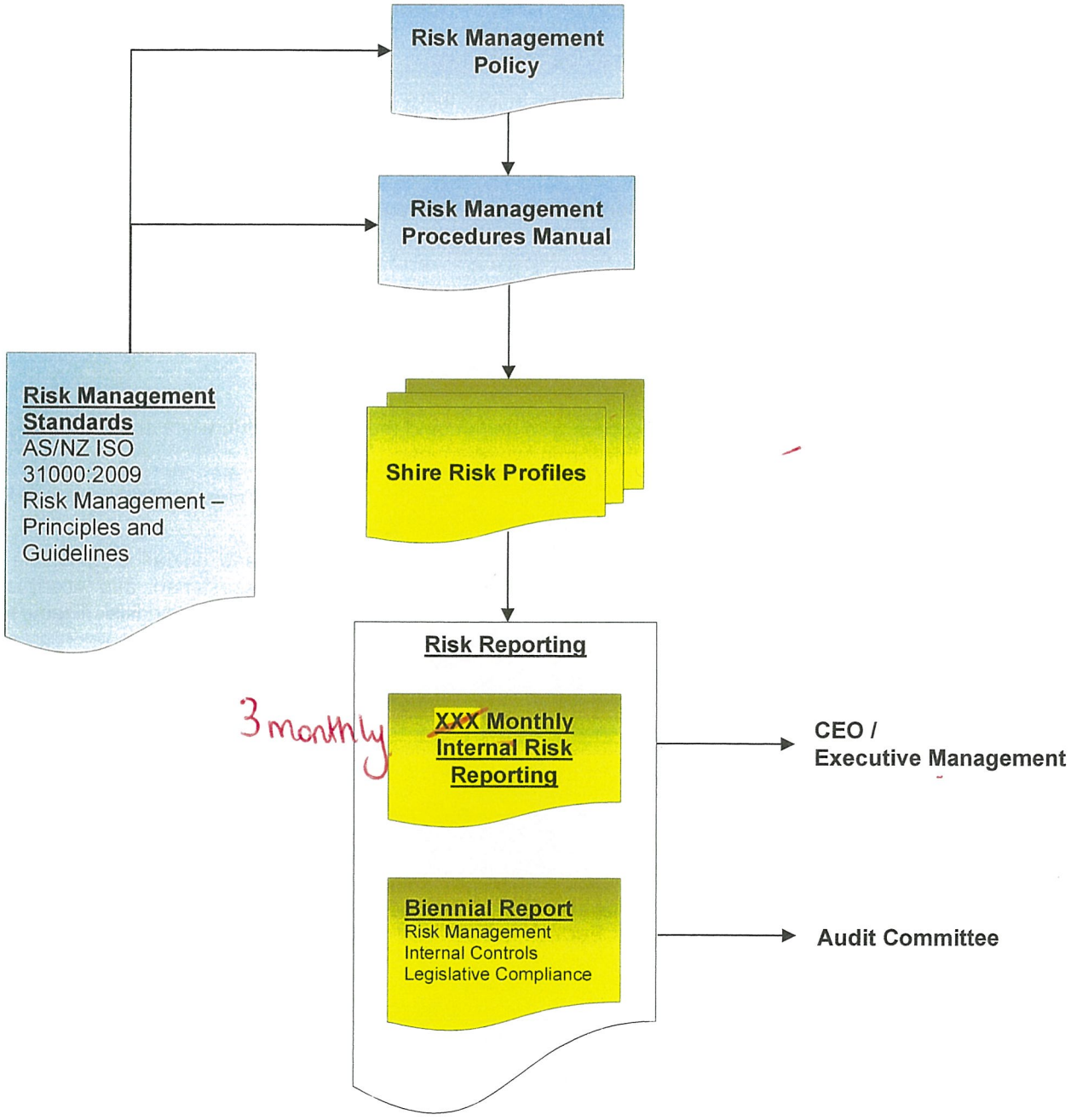
- Oversee and facilitate the Risk Management Framework.
- Support reporting requirements for Risk matters.

Work Areas

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;
    - New or emerging risks.
    - Review existing risks.
    - Control adequacy.
    - Outstanding issues and actions.

Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.



Risk & Control Management

All Work Areas of the Shire are required to assess and manage the Risk Profiles on an ongoing basis.

Each Manager, in conjunction with the Risk Framework Owner (RFO) are accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire.
- Reviewed on at least a six monthly basis, unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

Risk & Control Assessment

To ensure alignment with ISO 31000:2009 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective.

Establishing the Context

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

Organisational Context

The Shire's Risk Management Procedures provides the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix C) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Risk Framework Owner (RFO) and CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

Specific Risk Assessment Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. For risk assessment purposes the Shire has been divided into three levels of risk assessment context:

Strategic Context

The Shire's external environment and high level direction. Inputs to establishing the strategic risk assessment context may include;

- Organisations Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Existing Strategies / Objectives / Goals

Operational Context

The Shire's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

Project Context

Project Risk has two main components:

- **Risk in Projects** refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems) which may prevent the Shire from meeting its objectives
- **Project Risk** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

Risk Identification

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

- What can go wrong? / What are areas of uncertainty? (Risk Description)
- How may this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)
- What are the potential consequential outcomes of the risk eventuating?

Risk Analysis

To analyse the risks the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is applied:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

Risk Evaluation

The Shire is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix A)
- Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and those risks that are acceptable are then subject to the monitor and review process.

Note: Individual Risks or Issues may need to be escalated due to its urgency, level of risk or systemic nature.

Risk Treatment

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit
- Ease of implementation
- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Risk Framework Owner (RFO) is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

Monitoring & Review

The Shire is to review all Risk Profiles at least on a six monthly basis or if triggered by one of the following;

- changes to context,
- a treatment is implemented,
- an incident occurs or due to audit/regulator findings.

The Risk Framework Owner (RFO) is to monitor the status of risk treatment implementation and report on, if required.

The CEO & Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of Risk Summary report will be determined from time to time on the direction of the CEO & Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Shire.

Communication & Consultation

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

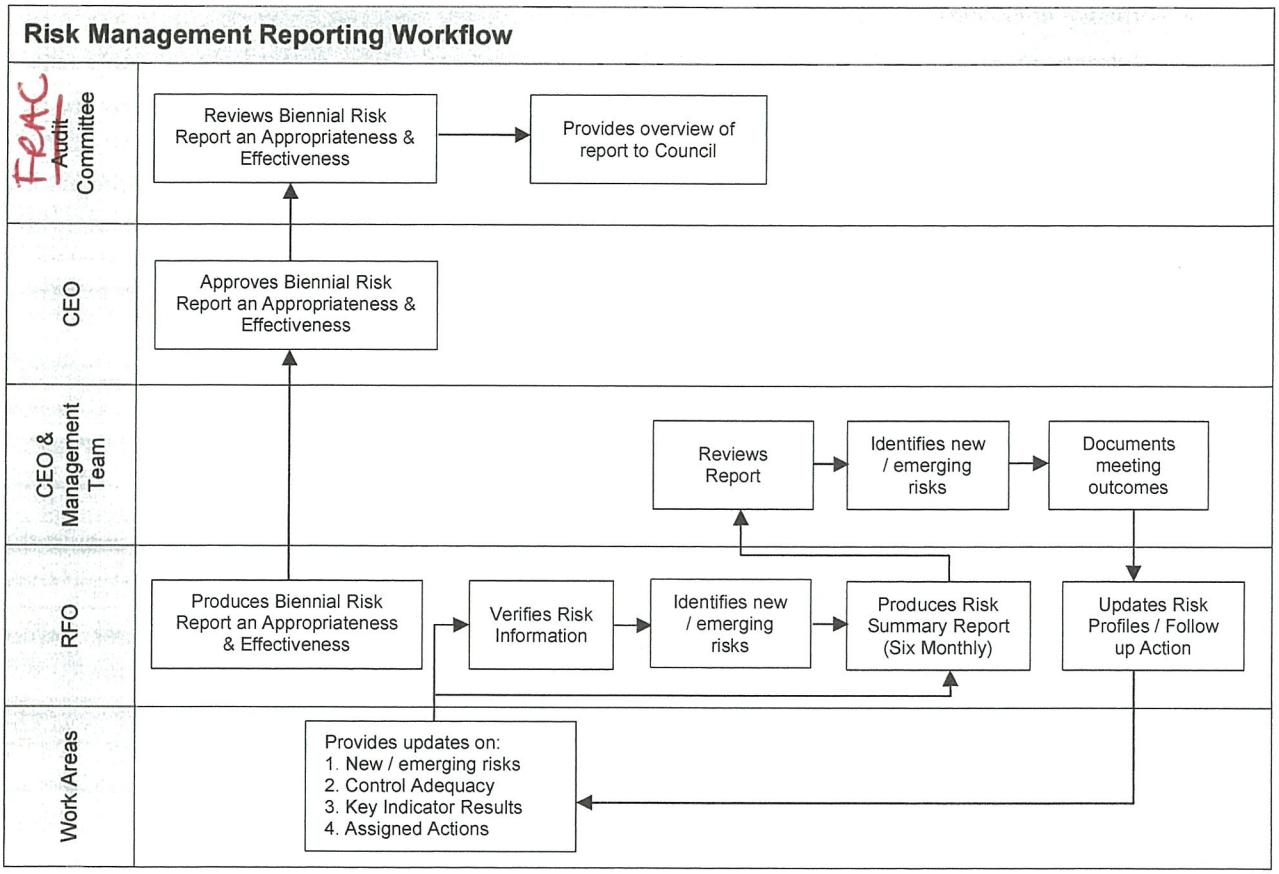
Risk management awareness and training will be provided to all staff.

Risk management will be included within the employee induction process to ensure new employees are introduced to the Shire's risk management culture.

Reporting Requirements

Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new, emerging risks, control effectiveness and key indicator performance to the Risk Framework Owner (RFO).
- Work through assigned actions and provide relevant updates to the Risk Framework Owner (RFO).
- Risks / Issues reported to the CEO & Management Team are reflective of the current risk and control environment.

The Risk Framework Owner (RFO) is responsible for:

- Ensuring Shire Risk Profiles are formally reviewed and updated, at least on a six monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment.
- Six Monthly Risk Reporting for the CEO & Management Team – Contains an overview of the Risk Summary for the Shire.
- Annual Compliance Audit Return completion and lodgement.

Key Indicators

Key Indicators (KI's) may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of KIs:

- Identification
- Validity of Source
- Tolerances
- Monitor & Review

Identification

The following represent the minimum standards when identifying appropriate KI's key risks and controls:

- The risk description and casual factors are fully understood
- The KI is fully relevant to the risk or control
- Predictive KI's are adopted wherever possible
- KI's provide adequate coverage over monitoring key risks and controls

Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the KI data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping KI's can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the KI, the data is required to be revalidated to ensure reporting of the KI against a consistent baseline.

Tolerances

Tolerances are set based on the Shire's Risk Appetite. They are set and agreed over three levels:

- Green – within appetite; no action required.
- Amber – the KI must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.
- Red – outside risk appetite; the KI must be escalated to the CEO & Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

Monitor & Review

All active KI's are updated as per their stated frequency of the data source.

When monitoring and reviewing KI's, the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the KI is specifically used as an input to the risk and control assessment.

Risk Acceptance

Day to day operational management decisions are generally managed under the delegated authority framework of the Shire.

Risk Acceptance is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix A – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks.

The 'Risk Acceptance' must be in writing, signed by the relevant Manager and cover:

- A description of the risk.
- An assessment of the risk (eg. Impact consequence, materiality, likelihood, working assumptions etc)
- Details of any mitigating action plans or treatment options in place
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (ie. Management Team)

Annual Assurance Plan

The annual assurance plan is a monitoring schedule prepared by the Risk Framework Owner (RFO) that sets out the control assurance activities to be conducted over the next 12 months. This plan needs to consider the following components.

- Existing control adequacy ratings across the Shire's Risk Profiles.
- Consider control coverage across a range of risk themes (where commonality exists).
- Building profiles around material controls to assist in design and operating effectiveness reviews.
- Consideration to significant incidents.
- Nature of operations
- Additional or existing 2nd line assurance information / reviews (eg. HR, Financial Services, IT)
- Frequency of monitoring / checks being performed
- Review and development of Key Indicators
- Timetable for assurance activities
- Reporting requirements

Whilst this document and subsequent actions are owned by the Risk Framework Owner (RFO), input and consultation will be sought from individual Directorates.

Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence							
Rating (Level)	**Health**	**Financial Impact**	**Service Interruption**	**Compliance**	**Reputational**	**Property**	**Environment**
Insignificant (1)	Negligible injuries	Less than $1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor (2)	First aid injuries	$1,001 - $10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Medical type injuries	$10,001 - $50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury	$50,001 - $500,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than $500,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Level	**Rating**	**Description**	**Frequency**
5	**Almost Certain**	The event is expected to occur in most circumstances	More than once per year
4	**Likely**	The event will probably occur in most circumstances	At least once per year
3	**Possible**	The event should occur at some time	At least once in 3 years
2	**Unlikely**	The event could occur at some time	At least once in 10 years
1	**Rare**	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix						
Consequence / **Likelihood**		**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
		1	**2**	**3**	**4**	**5**
Almost Certain	**5**	**Moderate (5)**	**High (10)**	**High (15)**	**Extreme (20)**	**Extreme (25)**
Likely	**4**	**Low (4)**	**Moderate (8)**	**High (12)**	**High (16)**	**Extreme (20)**
Possible	**3**	**Low (3)**	**Moderate (6)**	**Moderate (9)**	**High (12)**	**High (15)**
Unlikely	**2**	**Low (2)**	**Low (4)**	**Moderate (6)**	**Moderate (8)**	**High (10)**
Rare	**1**	**Low (1)**	**Low (2)**	**Low (3)**	**Low (4)**	**Moderate (5)**

Risk Acceptance Criteria			
Risk Rank	**Description**	**Criteria**	**Responsibility**
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Director / CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings		
Rating	**Foreseeable**	**Description**
Effective	There is little scope for improvement.	1. Processes (Controls) operating as intended and aligned to Policies / Procedures. 2. Subject to ongoing monitoring. 3. Reviewed and tested regularly.
Adequate	There is some scope for improvement.	1. Processes (Controls) generally operating as intended, however inadequacies exist. 2. Nil or limited monitoring. 3. Reviewed and tested, but not regularly.
Inadequate	There is a need for improvement or action.	1. Processes (Controls) not operating as intended. 2. Processes (Controls) do not exist, or are not being complied with. 3. Have not been reviewed or tested for some time.

Appendix B – Risk Profile Template

Risk Theme	Date
This Risk Theme is defined as; *Definition of Theme*	

Potential causes include;
List of potential causes

Key Controls	Type	Date	Shire Rating
List of Key Controls			

Overall Control Ratings:	

Risk Ratings	Shire Rating
Consequence:	
Likelihood:	

Overall Risk Ratings:	

Key Indicators	Tolerance	Date	Overall Shire Result
List of Key Indicators			

Comments *Rationale for all above ratings*

Current Issues / Actions / Treatments	Due Date	Responsibility
List current issues / actions / treatments		

Appendix C – Risk Theme Definitions

Misconduct
Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or Inaccurate Advice.

External theft & fraud (inc. Cyber Crime)
Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

Business & community disruption
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Errors, omissions, delays
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Failure of IT &/or Communications Systems and Infrastructure

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Change Management".

Failure to fulfil statutory, regulatory or compliance requirements

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate employee and visitor safety and security") or any Employment Practices based legislation (refer "Ineffective Employment practices)

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for the Shire.

Providing inaccurate advice / information

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff. This could be caused by using unqualified staff, however it does not include instances relating Breach of Authority.

Inadequate project / change Management

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

Inadequate Document Management Processes

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

Inadequate safety and security practices

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment.

Inadequate engagement practices

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Inadequate asset sustainability practices

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Inadequate Supplier / Contract Management

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

It does not include failures in the tender process; refer "Inadequate Procurement, Disposal or Tender Practices".

Ineffective employment practices

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S)
- Discrimination, Harassment & Bullying in the workplace
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place
- Induction issues
- Terminations (including any tribunal issues)
- Industrial activity

Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiencies.

Ineffective management of facilities / venues / events

Failure to effectively manage the day to day operations of facilities and / or venues. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

Inadequate environmental management.

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

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Business & community disruption — Aug-14

This Risk Theme is defined as:

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Potential causes include:

- Cyclone, Storm Surges, Fire, Earthquake
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended power outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Date	Shire Rating
Business Continuity Framework (Policy & Procedures)	*Preventative*	*Aug-14*	***Inadequate***
Business Continuity Plans	*Recovery*	*Aug-14*	***Inadequate***
BCP Exercises	*Detective*	*Aug-14*	***Inadequate***
Functional LEMC	*Preventative*	*Aug-14*	***Effective***
Current LEMA & Recovery Plans	*Recovery*	*Aug-14*	***Effective***
Current Bushfire Risk Management Plan	*Preventative*	*Aug-14*	***Adequate***
LEM Exercises	*Detective*	*Aug-14*	***Adequate***
Risk Register (Fuel Loads)	*Preventative / Detective*	*Aug-14*	***Adequate***
Volunteer Management & Training	*Preventative*	*Aug-14*	***Adequate***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Catastrophic*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***High***

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Complete Bushfire Risk Management Plan for Shire Townships	*Aug-15*	*Community Emergency Services Manager*
Review BCP's across organisation (eg. Waste)	*Aug-15*	*Manager, Corporate*
Complete BCP Exercises	*Aug-15*	*Manager, Corporate*

Failure of IT &/or communication systems and infrastructure — Aug-14

This Risk Theme is defined as:

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include:

- Weather impacts
- Power outage at service provider
- Out dated / inefficient hardware
- Incompatibility between operating system and Microsoft
- Power failure
- Infrastructure breakdown such as landlines, radio communications.
- Lack of training
- Software vulnerability (e.g. MS Access)

Key Controls	Type	Date	Shire Rating
Data Back up Systems	*Recovery*	*Aug-14*	***Effective***
Performance Monitoring	*Detective*	*Aug-14*	***Adequate***
UPS / Generator Entry Point	*Preventative / Recovery*	*Aug-14*	***Effective***
Disaster Recovery Plan	*Detective*	*Aug-14*	***Adequate***
IT Infrastructure Replacement / Refresh Program	*Preventative*	*Aug-14*	***Effective***
Voip Telephone System	*Detective*	*Aug-14*	***Effective***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Review IT Disaster Recovery Plan	*Dec-14*	*IT Manager*
Test IT Disaster Recovery Plans	*Mar-15*	*IT Manager*
Create ICT Information Framework (IPF)	*Jun-15*	*IT Manager*

External theft & fraud (inc. Cyber Crime) — Aug-14

This Risk Theme is defined as:

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

Potential causes include:

- Inadequate security of equipment / supplies / cash
- Robbery
- Scam Invoices
- Inadequate provision for patrons belongings
- Lack of Supervision

Key Controls	Type	Date	Shire Rating
Security access - Admin Building	*Preventative*	*Aug-14*	***Effective***
Security access - Depot	*Preventative*	*Aug-14*	***Adequate***
Security Monitoring controls	*Detective*	*Aug-14*	***Adequate***
CCTV	*Recovery*	*Aug-14*	***Adequate***
IT Firewall Systems	*Preventative*	*Aug-14*	***Adequate***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
# Incidents			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Arrange external advice on IT Security (Cybercrime)	*Aug-15*	*IT Manager*

Misconduct — Aug-14

This Risk Theme is defined as;

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or Inaccurate Advice.

Potential causes include;

- Lack of training
- Changing of job titles
- Delegated authority process inadequately implemented
- Disgruntled employees
- Lack of understanding
- Poor internal checks (PO's and delegated authority)
- Password sharing

Key Controls	Type	Date	Shire Rating
Delegation Register - Framework	*Detective*	*May-14*	***Adequate***
Delegation Control - Synergy	*Detective*	*May-14*	***Adequate***
Segregation of Duties (Financial)	*Preventative*	*May-14*	***Adequate***
IT Security Access Framework (Profiles & Passwords)	*Preventative*	*May-14*	***Adequate***
Induction Process (Code of Conduct)	*Preventative*	*May-14*	***Effective***
Procurement Process (Purchase Order Process)	*Preventative*	*May-14*	***Adequate***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
No current actions required		

Inadequate safety and security practices — Aug-14

This Risk Theme is defined as;

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

Potential causes include;

- Lack of appropriate PPE / Equipment
- Inadequate first aid supplies or trained staff
- Rubbish / Litter Control
- Inadequate security arrangements
- Inadequate signage, barriers or other exclusion techniques
- Storage and use of Dangerous Goods
- Ineffective / inadequate testing, sampling (similar) health based req'
- Lack of mandate and commitment from Senior Management

Key Controls	Type	Date	Shire Rating
Workplace Inspections	*Preventative*	*Aug-14*	***Effective***
Staff Individual Training Plans	*Preventative*	*Aug-14*	***Adequate***
Hazard Register	*Detective*	*Aug-14*	***Effective***
OSH Management Framework	*Preventative*	*Aug-14*	***Effective***
Contractor / Site Inductions	*Preventative*	*Aug-14*	***Adequate***
Staff Inductions	*Preventative*	*Aug-14*	***Effective***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Possible*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
4801 Audit Results	*80%*	*Nov-13*	*62%*
LTIFR			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Improve current training plans to incorporate specific OSH / skills training requirements	*Dec-14*	*Manager Human Resources*
Improve Contractor / Site Induction process	*Dec-14*	*Manager Human Resources*

Inadequate project / change management — Aug-14

This Risk Theme is defined as:

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Asset Management"

Potential causes include:

- Lack of communication and consultation
- Lack of investment
- Ineffective management of expectations (scope creep)
- Inadequate project planning (resources/budget)
- Shire growth (too many projects)
- Inadequate monitoring and review
- Project risks not managed effectively
- Lack of Project methodology knowledge and reporting requirements

Key Controls	Type	Date	Shire Rating
Project Management Framework (Methodology)	*Preventative*	*Aug-14*	***Inadequate***
Project Status Reporting	*Detective*	*Aug-14*	***Adequate***

Overall Control Ratings:	***Inadequate***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Possible*
Overall Risk Ratings:	***High***

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Project Management Methodology	*Jan-15*	*Manager, Infrastructure Services*

Errors, ommisions & delays — Aug-14

This Risk Theme is defined as:

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;
- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;
- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Potential causes include:

- Human Error
- Inadequate procedures or training
- Lack of Staff (or trained staff)
- Incorrect information
- Miscommunication

Key Controls	Type	Date	Shire Rating
Documented Procedures / Checklists		*Aug-14*	***Adequate***
Feedback Register		*Aug-14*	***Effective***
Planning approval performance report		*Aug-14*	***Effective***
Complaints Register		*Aug-14*	***Adequate***
Segregatiuon of Duties (Financial Control)		*Aug-14*	***Adequate***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Insignificant*
Likelihood:	*Almost Certain*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
No actions required		

Inadequate document management processes — Aug-14

This Risk Theme is defined as:

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

Potential causes include:

- Spreadsheet/Database/Document corruption or loss
- Inadequate access and / or security levels
- Inadequate Storage facilities (including climate control)
- High Staff turnover
- Outdated record keeping practices / incompatible systems
- Lack of system/application knowledge
- High workloads and time pressures
- Incomplete authorisation trails

Key Controls	Type	Date	Shire Rating
Policy & Procedural Review Process	*Detective*	*Aug-14*	***Adequate***
Records Management Process	*Preventative*	*Aug-14*	***Effective***
Records Management Policy	*Preventative*	*Aug-14*	***Adequate***
Document / Correspondence receipt & action process	*Preventative*	*Aug-14*	***Effective***

Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
# Documents not stored electronically or archived off-site			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Implement a version control system / process across the Shire	*Dec-15*	*Manager, Corporate*

Inadequate supplier / contract management — Aug-14

This Risk Theme is defined as;

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

It does not include failures in the tender process; refer "Inadequate Procurement, Disposal or Tender Practices".

Potential causes include;

- Funding
- Complexity and quantity of work
- Inadequate tendering process
- Geographical remoteness
- Inadequate contract management practices
- Ineffective monitoring of deliverables
- Lack of planning and clarity of requirements
- Historical contracts remaining

Key Controls	Type	Date	Shire Rating
Contract Management System	*Preventative*	*Aug-14*	***Inadequate***
Review Meetings (Waste Mgt)	*Detective*	*Aug-14*	***Adequate***

Overall Control Ratings:	***Inadequate***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Possible*
Overall Risk Ratings:	***High***

Key Indicators	Tolerance	Date	Overall Shire Result
# Expired Contracts, not yet renewed	*0*		

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop of a Contract Management Register	*Sep-14*	*Governance Officer*

Providing inaccurate advice / information — Aug-14

This Risk Theme is defined as;

Incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. This could be caused by using unqualified, or inexperienced staff, however it does not include instances relating to Misconduct.

Examples include;
- incorrect planning, development or building advice,
- incorrect health or environmental advice
- inconsistent messages or responses from Customer Service Staff
- any advice that is not consistent with legislative requirements or local laws.

Potential causes include:

- Lack of qualified staff
- Long lead times for responses
- Increasing workloads
- Lack of appropriate technical knowlegde relevant to the context
- Poor working relationships between internal staff/departments

Key Controls	Type	Date	Shire Rating
Regular Meetings	*Preventative*		***Adequate***
Training - Staff	*Preventative*		***Adequate***
Peer Review Process - Building / Health advice	*Preventative*		***Inadequate***
Complaints Register	*Detective*		***Adequate***

Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
# Complaints / issues regarding inaccurate advice / information			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Update Assessment checklist to include "Peer Review" component	*Aug-15*	*Manager, Environmental Health & Building Services*

Ineffective employment practices — Aug-14

This Risk Theme is defined as;

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

Potential causes include;

- Leadership failures
- Available staff / volunteers are generally highly transient.
- Single Person Dependencies
- Poor internal communications / relationships
- Ineffective performance management programs or procedures.
- Ineffective training programs or procedures.
- Limited staff availability - mining / private sectors (pay & conditions).
- Inadequate Induction practices.

Key Controls	Type	Date	Shire Rating
Policy & Procedures	*Preventative*	*Aug-14*	***Adequate***
Training Needs Analysis & Training Register	*Preventative*	*Aug-14*	***Adequate***
Workforce Plan (Succession Planning Component)	*Preventative*	*Aug-14*	***Adequate***
Staff Inductions (Code of Conduct Component)	*Preventative*	*Aug-14*	***Effective***
Performance Review Process	*Detective*	*Aug-14*	***Adequate***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
% Staff turnover rate			
Absenteeism			
Workers Compensation Claims (Stress Claims)			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
No actions required		

Failure to fulfil statutory, regulatory or compliance requirements — Aug-14

This Risk Theme is defined as;

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate employee and visitor safety and security") or any Employment Practices based legislation (refer "Ineffective Employment practices)

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

Potential causes include:

- Lack of training, awareness and knowledge
- Staff Turnover
- Inadequate record keeping
- Ineffective processes
- Lack of Legal Expertise
- Councillor Turnover
- Breakdowns in Tender process
- Ineffective monitoring of changes to legislation

Key Controls	Type	Date	Shire Rating
Compliance Return (DLG)	*Detective*		***Adequate***
Compliance Calendars	*Preventative*		***Adequate***
External Auditor Reviews (Compliance)	*Detective*		***Adequate***
Subscriptions (WALGA)	*Preventative*		***Adequate***
Induction Process - Councillors / Staff	*Preventative*		***Adequate***
Staff Network Channels	*Preventative*		***Effective***
Tender Process (eQuotes)	*Preventative*		***Effective***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Possible*
Overall Risk Ratings:	***High***

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

As rated by

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Compliance Register	*Aug-15*	*CEO*

Inadequate asset sustainability practices — Aug-14

This Risk Theme is defined as;

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential causes include;

- Skill level & behaviour of operators
- Lack of trained staff
- Outdated equipment
- Unavailability of parts
- Lack of formal or appropriate scheduling (maintenance / inspections)
- Unexpected breakdowns

Key Controls	Type	Date	Shire Rating
Asset Management System (various)	*Preventative*		*Inadequate*
Asset Management Plan	*Preventative*		***Adequate***
Planned Building Maintenance	*Detective*		***Adequate***
Planned Replacement Program	*Preventative*		***Adequate***
Road Asset Management System (ROMANS)	*Preventative*		***Adequate***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Catastrophic*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***High***

Key Indicators	Tolerance	Date	Overall Shire Result
Asset Sustainability Ratio			
Asset Consumption Ratio			
Asset Renewal Funding Ratio			
% Satisfaction with with Shire Assets			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Investigate feasibility of an all inclusive asset management system	*Dec-14*	*Manager, Works*
Improving maintenance schedule to ensure all assets are captured	*Dec-14*	*Manager, Works*

Inadequate engagement practices — Aug-14

This Risk Theme is defined as;

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Potential causes include;

- Budget / funding issues
- Media attention
- Inadequate documentation or procedures
- Short lead times
- Miscommunication / Poor communication
- Relationship breakdowns with community groups

Key Controls	Type	Date	Shire Rating
Community Engagement Framework (Organisational Based)	*Preventative*		***Inadequate***
Planning based engagement (Consultation Policy)	*Preventative*		***Inadequate***
Procedures	*Preventative*		***Adequate***

Overall Control Ratings:	***Inadequate***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
% community feeling they have opportunities to participate in planning			
% community satisfaction with the Shire's advocacy and community representation			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Combine related Policies in Community Engagement	*Aug-15*	*CEO*

Ineffective management of facilities / venues / events — Aug-14

This Risk Theme is defined as:

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;
- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

Potential causes include:

- Double bookings
- Illegal alcohol consumption
- Managing bond payments
- Animal contamination.
- Failed chemical / health requirements.
- Access to facilities / venues.

Key Controls	Type	Date	Shire Rating
Events Policy / Procedures	*Preventative*	*Aug-14*	***Adequate***
Booking System	*Preventative*	*Aug-14*	***Adequate***
Maintenance Schedules	*Detective*	*Aug-14*	***Adequate***
Community Feedback process	*Detective*	*Aug-14*	***Adequate***

Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Unlikely*

Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
Attendance at Arts & cultural activities			
% community satisfaction with with services and facilties			

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Upgrading Centaman System for facilities	*Oct-15*	*Manager, Community Services*
Review implications of a Regional Event Management Strategy (ie. Capacity planning)	*Jun-16*	*Manager, Community Services*
Review Event Policies (strategic direction rather than procedures)	*Dec-16*	*Manager, Community Services*

Inadequate environmental management — Aug-14

This Risk Theme is defined as;

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

Potential causes include:

- Inadequate management of landfil sites
- lack of understanding / knowledge
- Inadequate local laws / planning schemes
- Inadequate reporting / oversight frameworks
- Community apathy.

Key Controls	Type	Date	Shire Rating
Landfill / Waste Management Plans	*Detective*		***Inadequate***
Supervisory at landfill Sites	*Preventative*		***Inadequate***
Weed Control Plans	*Preventative*		***Adequate***
Support Environmental Groups	*Preventative*		***Adequate***

Overall Control Ratings:	***Inadequate***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Possible*
Overall Risk Ratings:	***High***

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

As rated by Workshop Attendees -

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Operational Plans (Waste Mgt - Operational, Environmental & Contingency)	*Jul-15*	*Manager, Works*
Implement 'manned' landfil sites.	*Nov-15*	*Manager, Works*
Develop Climate Change response plan(draft)	*Apr-15*	*CEO*

Shire of XXX
Risk Dashboard Report
August 2014

Failure to fulfil statutory, regulatory or compliance requirements		Risk: High	Control: Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Develop Compliance Register	*Aug-15*	*CEO*	

Inadequate safety and security practices		Risk: Moderate	Control: Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Improve current training plans to incorporate specific OSH / skills training requirements	*Dec-14*	*Manager Human Resources*	
Improve Contractor / Site Induction process	*Dec-14*	*Manager Human Resources*	

Providing inaccurate advice / information		Risk: Low	Control: Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Update Assessment checklist to include "Peer	*Aug-15*	*Manager, Environmental Health &*	

Ineffective employment practices		Risk: Moderate	Control: Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
No actions required			

Inadequate document management processes		Risk: Moderate	Control: Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Implement a version control system / process across the Shire	*Dec-15*	*Manager,Corporate*	

Inadequate project / change management		Risk: High	Control: Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Develop Project Management Methodology	*Jan-15*	*Manager, Infrastructure Services*	

Inadequate engagement practices		Risk: Moderate	Control: Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Combine related Policies in Community	*Aug-15*	*CEO*	

Inadequate supplier / contract management		Risk: High	Control: Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Develop of a Contract Management Register	*Sep-14*	*Governance Officer*	

Inadequate asset sustainability practices		Risk: High	Control: Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Investigate feasibility of an all inclusive asset management system	*Dec-14*	*Manager, Works*	
Improving maintenance schedule to ensure all assets are captured	*Dec-14*	*Manager, Works*	

Ineffective management of facilities / venues / events		Risk: Moderate	Control: Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Upgrading Centaman System for facilities	*Oct-15*	*Manager, Community Services*	
Review implications of a Regional Event Management Strategy (ie. Capacity planning)	*Jun-16*	*Manager, Community Services*	
Review Event Policies (strategic direction rather than procedures)	*Dec-16*	*Manager, Community Services*	

Shire of XXX
Risk Dashboard Report
August 2014

Executive Summary

Being the Shire's first report under the introduced risk management framework , focus is on embedding and driving continual improvement. Future reports will continue to provide relevant insight and recommendations to assist governance activities for the Executive Leadership Team. It is supported by the attached documents that were produced through and workshops on the XX / XX / XXXX ensuing discussions.

1. Risk Profiles for the 16 themes discussed.
2. Risk Management Policy amendments and Procedures.

Recommendations

Embedding
1. Arrange for the attached Policy amendments and Procedures to be endorsed and adopted.

Risk Profiles
1. Discuss and review the attached Risk ProfilesReview and approve all Risk Profiles (from a Risk & Control perspective).
2. Confirm Current Issues / Actions / Treatments (Responsibility & Due Date)

Misconduct		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
No current actions required			

Business & community disruption		Risk	Control
		High	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Complete Bushfire Risk Management Plan for Shire	*Aug-15*	*Community Emergency Services*	

Inadequate environmental management		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Develop Operational Plans (Waste Mgt -	*Jul-15*	*Manager, Works*	
Implement 'manned' landfil sites.	*Nov-15*	*Manager, Works*	
Develop Climate Change response plan(draft)	*Apr-15*	*CEO*	

Errors, ommisions & delays		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
No actions required			

External theft & fraud (inc. Cyber Crime)		Risk	Control
		Low	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Arrange external advice on IT Security	*Aug-15*	*IT Manager*	

Failure of IT &/or communication systems and infrastructure		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	
Review IT Disaster Recovery Plan	*Dec-14*	*IT Manager*	
Test IT Disaster Recovery Plans	*Mar-15*	*IT Manager*	
Create ICT Information Framework (IPF)	*Jun-15*	*IT Manager*	