NAMBUCCA SHIRE COUNCIL

ENTERPRISE RISK MANAGEMENT PLAN

Our Vision

Nambucca Valley ~ Living at its best

Our Mission Statement

'The Nambucca Valley will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people.'

Department:	General Manager	Last Reviewed	Resolution Number
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Summary

Risk is inherent in everything Nambucca Shire Council does. In many of Council's activities, it is something that we currently manage and control in a variety of ways. Council has not had a formalised, integrated and visible process to identify risk exposures across all our activities and to provide us with an assurance that these exposures are adequately controlled and any gaps are rectified.

Our aim is to achieve best practice in controlling all the risks to which Council is exposed. We will achieve this by identifying our priority exposures, addressing these, incorporating appropriate risk management strategies, risk improvements and contingency planning into our business, monitoring and reviewing ongoing risk to account for changes in our operations and to enable us to make well-informed decisions on risk controls.

As the first step of this process, this document outlines the framework for Council's risk management. Within this framework, training will provide appropriate tools and practices for the effective management of risks. The next step will be to build on this framework to further develop risk management plans for all of Council Departments and contracted services. Our challenge is to infuse risk management into our culture, our everyday business operations and those of our contractors and business partners.

Risk Management Policy Statement

Nambucca Shire Council is committed to the management of risk to continue to protect its:

- Customers, clients and stakeholders
- Employees, volunteers and their skills
- Environment
- Quality of service
- Assets and intellectual property
- Contractual and statutory obligations
- Image and reputation

Risk management is a key part of improving our business and services. Our aim is to achieve best practice in controlling all the risks to which Council is exposed.

To achieve this aim, risk management standards will be created, maintained and continually improved. This will involve risk identification and risk evaluation linked to practical and cost-effective risk control measures commensurate with our business.

Risk management is a continuous process demanding awareness and proactive action from all the Council's employees and outsourced service providers to reduce the possibility and impact of accidents and losses, whether caused by the Council or externally.

Risk Management is a core responsibility for all Senior Staff and Managers. Suitable risk management activities will be incorporated into Council's planning, operations and the management of our contractors and service providers. The scope of these activities will encompass:

- Education and training in risk management for staff
- Developing risk management standards
- Conducting surveys for identifying and eliminating risks
- Helping to prioritise and schedule risk control improvements in each of Council's Departments.
- Reporting to the Council's executive on risk improvement and compliance

Our challenge for the future is to infuse risk management into our culture, our everyday business operations and those of our contractors and business partners. Everyone's involvement and support is critical to an effective result.

1   Introduction

1.1   *Purpose of this Document*

The purpose of this document is to set out a plan for ensuring that Risk Management is considered and included in the business and operations of Nambucca Shire Council, and to provide guidelines for its implementation.

1.2   *Goals of Risk Management at Council*

The goals behind introducing Risk Management into Council are:

- To provide an assurance that Council has identified its highest-risk exposures and has taken steps to properly manage these.

- To ensure that Council's business planning processes include a focus on areas where risk management is needed.

- To establish a process across Council that will integrate the various risk control measures that Council already has.

2   Context and Background

2.1   *What Is Risk Management?*

AS/NZS ISO 31000:2018 defines risk as the effect of uncertainty on objectives. Risk is inherent in the functions and activities of Council and its service providers. As the consequences of an uncertain event may include an inability to meet stakeholder and customer requirements, financial loss, organisational or political embarrassment, operational disruption, legal problems, and so forth, it is important that management policies, procedures and practices are in place to minimise Council's exposure to risk.

Risk Management involves adopting and applying a systematic process to identify, analyse, assess, control and monitor risk so that it is reduced and maintained within an acceptable level. Risk Management is a business tool and a part of "good management" and good planning processes.

2.2   *What Benefits will a Risk Management Plan give Council?*

Risk Management will assist us to achieve Council's corporate objectives by:

- Integrating the various risk control measures that Council currently uses into one holistic view of what Council is doing to minimise its risk exposures. This single view will show priorities and any gaps that need to be addressed.
- Implementing a visible, formalised and consistent process for managing Council's exposures to risk, thereby supporting continuous improvement in Council's programs and providing an assurance of more effective outcomes.
- Incorporating identified risk management solutions into planning and administrative processes resulting in more structured, accountable and effective business planning and project management;
- Building on existing risk management strategies such as our administrative, engineering, contractual, safety and quality management controls; and

- Encouraging staff and managers to think about risk, and risk management, in their day-to-day work; in program, contractor and project management; and in forward planning activities.

Risk Management will be applied to all Council's activities, including those delivered on Council's behalf by external service providers and project contractors. This will help us to:

- Ensure that the quality and reliability of services and other program outputs are of a very high standard;
- Ensure services meet requirements and are delivered within cost and schedule;
- Protect employees, property, information and all other assets; and
- Comply with all legal requirements relative to areas of risk.

2.3 Background

Council has exposure to a diverse range of risks. This exposure includes professional risks, commercial risks, political risks, risks to our stakeholders and community services and risks associated with competition.

Council's main risk mitigation strategies will include administrative, contractual, technical, safety and management controls as a part of business and program activities - for example:

- Financial and personnel delegations and authorisations;
- Reconciliations of data;
- Detailed tender specifications, evaluations and selection of tenderers;
- Detailed standards, engineering checks, tests and quality assurance;
- Reporting, review and analysis; expert oversight and supervision of contractors;
- Policy and procedure manuals and guidelines;
- Training and development;
- Safety for employees, contractors and the public using specific WHS tools;
- Physical controls such as security systems and fire protection measures;
- Contractual arrangements which include standard indemnities, insurances and the like;
- Contingency planning;
- Internal Audit checks and surveys.

Council now seeks to formalise existing administrative and management controls and risk mitigation strategies, and relate them to our planning processes to develop a more rigorous, measurable and integrated risk management framework across all programs and projects.

# 3 Risk Management at Nambucca Shire Council

3.1 Overview of the Risk Management Process

ISO 31000 states the purpose of Risk Management is the creation and protection of value.

Council's "Risk Management Policy Statement" sets out our attitude to, and objectives for, managing risk. It is the benchmark by which all decisions in the handling of risk will be tested.

This "Risk Management Plan" sets out the manner in which Council's Risk Management Policy is achieved. Council's risk management approach and process follows that outlined by the Australian Standard for Risk Management, AS/NZS ISO 31000:2018. The surrounding framework for the development of risk management at this point within Council is summarized overleaf in Figure 1.

The end result of risk management is to provide the Council executive with a regular profile report of the status of risks and risk controls across the organisation, and an assessment/assurance report of its major risks. Figure 2 below illustrates.
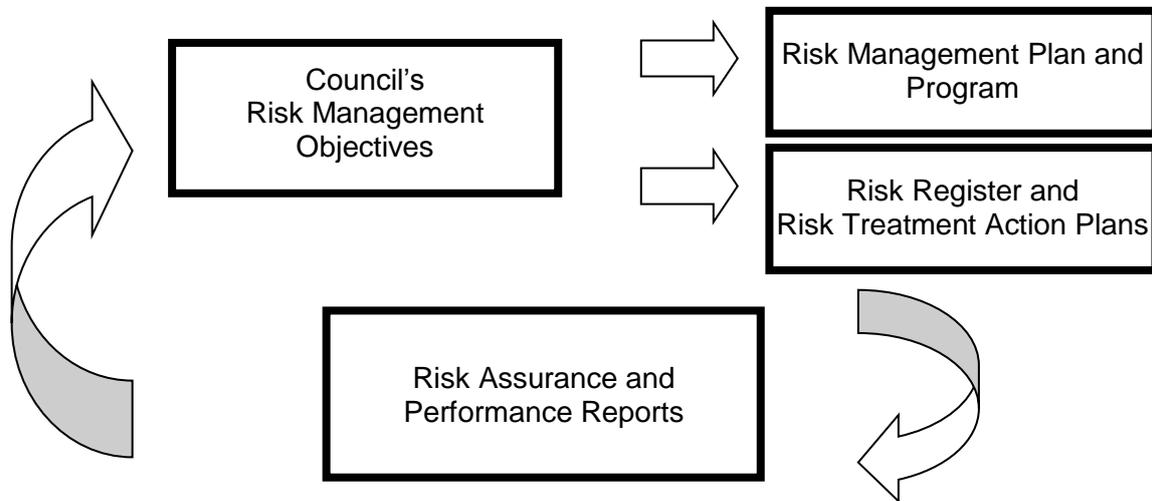
3.2 Risk Management Structure and Responsibilities

All staff, project and program managers are responsible for managing risk within their span of control, for promoting the application of risk management by contractors, and assisting with the identification of global or broadly based risks that could impact on Council as a whole.

Senior Staff are accountable for ensuring that risks with a "high" overall rating are managed appropriately through Risk Action Plans and included on a Risk Register. Risks with a "medium" or lower level overall rating may be included in the Risk Action Plan if appropriate, or, alternatively, managed as an operational issue through the relevant Program.

Senior Staff are to:

- Oversee the Risk Action Plan and endorse risk strategies and action plans.
- Take responsibility for their Department's risk management performance, including implementation of the Risk Management Strategy, ensuring appropriate resources for risk management actions are made available and ensuring effective monitoring, reviews and reporting are undertaken.
- Ensure that proposed events and projects within their jurisdiction are not approved without a formal risk assessment that effectively identifies and manages all the risks associated with them.
- Ensure that all staff and contractors are trained in relation to their risk management responsibilities.

The Risk, Audit and Improvement Committee is responsible for:

- Overseeing the implementation of the risk management process, decide direction in consultation with the General Manager, monitor and review.
- Reviewing strategies, policies and processes for the management of risk (including governance and compliance risk).
- Conducting annual reviews of the Council's Enterprise Risk Management Plan to ensure that risks are identified, evaluated and managed and report failings to the General Manager.

- Actions are being taken promptly to remedy any significant failings

The identification and review of critical risk areas within Council and the implementation of Council's Risk Management Plan will be the subject of internal audit protocols.

3.3   Implementation

Council will achieve the above requirements by:

- Developing suitable analysis and documentation of risks in projects, programs and corporate activities, namely to:

  o Identify risks in the immediate work area and of wider Organisation impact;
  o Assess the probability of the risk eventuating;
  o Assess the likely impact on the work area and/or organisation if the risk occurs;
  o Determine an overall risk rating on the basis of probability and impact;
  o Record any existing controls or strategies which aim to reduce the risk;
  o Determine if the risk exposure is acceptable or not;
  o Determine further action plans and contingency plans to manage the risk where appropriate.

Documentation of risks will form a Risk Register which is open to review and updating, and provides a record should personnel change. Risk information will be filtered to focus on only those risk exposures that are significant and relevant to providing assurance.

- Requiring a documented Risk Register and a Risk Treatment Action Plan from contractors for service-critical projects. Risk management will be incorporated into each of Council's Department's plans.
- Monitoring and reviewing risk in external services, and where appropriate, providing input to contractors' risk management processes;
- Incorporating risk management strategies, particularly action plans arising from the Risk Registers, into Council's broader business and corporate planning processes, and if necessary budget processes;
- Periodically reviewing and updating the Risk Registers to account for changes in risks and related issues;
- Targeting Risk Management as a corporate training issue for Council in 2018 and beyond.

Satisfactory risk management is achieved when training has been completed by all relevant personnel, when risk assessment of all critical programs and risk exposures has been concluded, and when assurance reports have been submitted from key contractors and all of Council Departments operations.

3.4   Timeframe

All Managers will receive a copy of this Risk Management Plan containing Council's Policy on Risk Management, guidelines on Risk Management implementation and Council's initial Risk Register and Risk Management Action Plan for 2018/2019.

Senior Staff are requested to take the time to discuss the Risk Management Plan with their staff to ensure that they are aware of Council's Risk Management Policy and their role in implementation of the Risk Management Process.

A timeframe for further development and implementation of risk management within Council is to be formulated detailing the following:

- Direction issued to each Council Department and agreed

- Training
- Prepare training program and schedule to fit into Council's overall training calendar
- Initial risk management planning sessions
- Risk Assessment training workshops
- Prepare and complete initial Risk Assessments and Risk Management Profiles
- Incorporate risk assessments and profiles into business planning
- Review initial outcomes and prepare risk management program refinements
- Complete documentation of Council's Risk Management Plan for 2018/19 and submit to Council for approval

3.5 Deliverables

(a) At Program, Project and Contractor Level

The deliverable from the risk management process applied at program and contractor level is a Risk Register and a Risk Treatment Action Plan. The Risk Register documents the identification, analysis, and assessment of risks and the Risk Treatment Action Plan summarises existing and proposed risk controls and measures.

The format of the Risk Register and the Risk Management Plan will be progressively refined with Council Departments and key service providers to ensure a brief and efficient process that fits within current quality and contractual assurances.

(b) At Council Departmental Level

At Department level, the risk management process comprises two deliverables also:

- A Risk Register that summarises and tabulates the major risk exposures within the Departments operations, and the major risks within those programs and projects which are identified as significant or critical to service capability and Organisation objectives. The Department's Risk Register need include only those risk exposures that have been rated as greater than "moderate" or "high" and would have an impact on Council as a whole.

- A Risk Treatment Action Plan that summarises the current status of risk controls across the Department, and presents an action plan for those additional controls and risk treatments which are needed.

(c) At Corporate Level

Council will maintain a corporate Risk Register compiled from a consolidation of the Risk Registers and Action Plans indicated above.

In addition to the consolidated data of each Department, account will be taken of risk exposures that are identified as common across all Departments and also of exposures that would apply only to Council as a whole.

(d) Training

To ensure the successful implementation of risk management throughout Council, appropriate training in risk management will be provided to staff and managers.

Training content encompasses the risk management process, application of risk management tools, assistance with identification and analysis of Council's risk exposures, risk profiling and assurance reporting.

In addition, Council's Human Resources Section and Corporate Services Department will coordinate with the Audit, Risk and Improvement Committee and all Departments to ensure:

- All new employees receive induction training which will include a Risk Management, fraud awareness and Code of Conduct training;

- All employees receive regular Risk Management awareness and fraud awareness update training (at minimum, a half-day refresher course once every three years);

- Any updates and changes to the risk management policy and plan, fraud-related policies, procedures; Codes of Conduct, ethics etc are circulated to all employees.

3.6   Monitoring and Review

The Program, Department and Corporate Risk Registers will be formally reviewed and updated annually as a part of our corporate planning process, although more regular reviews and updates by each Department, contract, project and program managers are encouraged in accordance with any significant changes to activities or appointments.

It is anticipated that these formal reviews will be concurrent with, and part of, the business and budget planning process because of the complementary nature of the two processes.

These formal annual reviews will include:

- A summary ranking of risks by overall rating level to identify all "high" and "medium" level risks across Council as a whole to ensure that all are accounted for in Council's broader planning and reviewing processes of its services and operations.

- A statement of Council's risk performance over the previous twelve months showing the reduction in risk, cost and the improvements made in risk controls (that is, the risk treatments that have been actioned in accordance with the Action Plans).

The monitoring, review and updating of Registers and Action Plans will be coordinated by Council's Audit, Risk and Improvement Committee in line with its responsibilities under this Plan.

4   Initial Risk Identification and Risk Treatment

Council has adopted policies to assist with the efficient and consistent preparation of Risk Registers and Risk Treatment Action Plans across Council. These policies follow the risk assessment process outlined in ISO 31000:2018 and therefore enable the application of that standard to Council's business.

Council will undertake an initial identification and assessment of its key risk exposures using this tool as the underpinning to this Risk Management Plan and start point for the implementation of Risk Treatment Action Plans. This initial identification will be updated and revised as the Plan proceeds.

4.1   Risk Criteria

Council sees five criteria for setting its risk management priorities, as follows. Further risk identification, risk assessments and risk treatment need to be carried out bearing these in mind.

- Risks affecting Council's reputation.
- Risks affecting Council's management of and accountability for its performance, including its service delivery obligations, its regulatory framework and business relationships.
- Risks affecting Council's performance against strategic priorities.
- Risks affecting the integrity of Council's decisions, processes and information.
- Risks affecting the safety, security and health of Council's personnel and visitors to its premises.

4.2   Summary of Risks

From the initial assessments, the following summary of Council's risk exposures at present was obtained (example):

Residual Risk = The remaining level of risk after all risk treatment measures have been taken.

Under Action = a plan in place showing Action to be done, Action officer, Resource needs, Resource cost, Timing targets.

Controlled = reasonable assurance that existing risk controls satisfy the achievement of Council's risk management objectives and will continue to maintain the risk at an acceptable level.

4.3   Detailed Assessment of Risks

Within each and every one of the risk exposures that are detected, a more detailed appraisal of individual risk elements was made. This then comprised Council's initial Risk Register.

5 ERM Terms Explained

There are various terms used during the ERM process that may be ambiguous to those new to ERM. The following terms are defined for the purpose of this report:

Consequence

The inherent risk consequence (impact) of risk represents the plausible worst case scenario consequence if the risk event occurred, in an environment of no controls. It is categorised according to following levels of impact on the achievement of Council strategy and objectives:

1 Insignificant
2 Minor
3 Moderate
4 Significant
5 Catastrophic

The categories to consider when rating inherent risk consequence are: Financial, Operational and Reputation.

This table below is used to rate the inherent risk consequence for each risk and is a fair representation of the risk appetite of Council:

		Impact Level				
		5 Catastrophic	**4 Significant**	**3 Moderate**	**2 Minor**	**1 Insignificant**
Consequence Types	**Financial**	▪ Direct loss or opportunity cost with > A$10M impact	▪ Direct loss or opportunity cost with A$2-10M impact	▪ Direct loss or opportunity cost with A$250K-2M impact	▪ Direct loss or opportunity cost with A$50K-250K impact	▪ Direct loss or opportunity cost with < A$50K impact
	Operational	▪ Key project failure ▪ Information systems or security failure causing permanent loss of critical business information ▪ Event resulting in death ▪ A major environmental incident	▪ Key project delays / under-delivery resulting in material impact on planned project outcomes ▪ Information systems failure causing temporary loss of information or significant delays ▪ Decreasing population ▪ Skilled staff turnover of more than 5 p/a ▪ Event resulting in multiple serious injuries	▪ Key project delays but no material impact on quality outcome ▪ Breach of information security without loss of information ▪ Skilled staff turnover between 3 and 5 p/a ▪ Event resulting in serious injury ▪ An isolated environmental incident	▪ Non-key project delays or under-delivery of planned outcomes ▪ Evidence of attempted breach of information security ▪ Skilled staff turnover between 2 and 3 p/a	▪ Information system unavailable for 1 day or less
	Reputation	▪ Significant adverse national media coverage ▪ Regulatory sanctions	▪ ICAC investigation ▪ Significant state media coverage ▪ Adverse national media coverage	▪ Adverse regional media coverage ▪ Potential breach of regulations ▪ Community protests / strikes	▪ Local Government sector knowledge of incident, but no media attention ▪ Some impact on community support	▪ No reputation damage – internal knowledge only ▪ Minimal or no impact on community support

Likelihood

The inherent risk likelihood (probability) represents the possibility that a given event will occur, in an environment without controls. This table below is used to rate the inherent risk likelihood for each risk:

	Likelihood Level				
	5 Almost Certain	**4 Likely**	**3 Possible**	**2 Unlikely**	**1 Almost Impossible / Rare**
Description	▪ The occurrence of the event(s) necessary for the risk to materialise is almost certain in the foreseeable future ▪ The expected frequency of the event(s) is more than once every year	▪ The occurrence of the event(s) necessary for the risk to materialise is likely, but not almost certain in the foreseeable future ▪ The expected frequency of the event(s) is once every 1-3 years	▪ The occurrence of the event(s) necessary for the risk to materialise is possible, but not likely in the foreseeable future ▪ The expected frequency of the event(s) is once every 3-5 years	▪ The occurrence of the event(s) necessary for the risk to materialise is unlikely, but not almost impossible in the foreseeable future ▪ The expected frequency of the event(s) is once every 5-10 years	▪ The occurrence of the event(s) necessary for the risk to materialise is almost impossible in the foreseeable future ▪ The expected frequency of the event(s) is less than once every 10 years

Risk Rating

The potential consequence and likelihood of each risk identified is combined to determine the Inherent Risk Rating. Inherent Risk Ratings are critical, as they are the basis for identifying the most critical risks that need to be treated by management.

The table below, which is consistent with the Australia Standard AS/NZS ISO 31000:2018, is used to determine the Inherent Risk rating for each risk. The information from the risk assessment process is fed into the Council risk AND control registers which form the basis for a risk map for Council.

CONSEQUENCE		Rare	Unlikely	Possible	Likely	Almost Certain
	Catastrophic	Medium	High	High	Extreme	Extreme
	Significant	Medium	Medium	High	High	Extreme
	Moderate	Low	Medium	High	High	High
	Minor	Low	Low	Medium	Medium	High
	Insignificant	Low	Low	Medium	Medium	High
Key				**LIKELIHOOD**		

Extreme Risk	
High Risk	
Medium Risk	
Low Risk	

Assessment of Controls (Control Effectiveness)

The controls in place to mitigate / reduce the risks identified need to be identified and then documented by management. Each risk has been assigned an owner of the MANEX A team, it would be appropriate for a standing agenda item to be included on the MANEX A agenda to ensure adequate progress is made and controls are identified and documented for each risk identified. (Appendix 1 has an appropriate column to record the controls in place against each risk).

The controls are rated for operational effectiveness using the rating system set out in the table below:

Control Rating	Control Rating Description
Effective	The control framework is appropriate and effective (ie. no evidence of significant risk issues or incidents resulting from the control)
Qualified	Significant control issues have been identified and satisfactory action plans are in place to address the issues within a reasonable timeframe
Requires Improvement	Severe control issues have been identified, and the control environment is inappropriate and/or ineffective - urgent Management attention is required to avoid, reduce or control the risk

Residual Risk Rating

Once the Inherent Risk Rating and the Control Assessment has been completed, a residual risk rating is determined. In many cases, the introduction of a preventative control will reduce the likelihood of a risk occurring rather than the potential consequence. The introduction of a preventative control can reduce both the consequence and likelihood of an inherent risk.

Action Plans

Management will then determine what (if any) further action is required to reduce, monitor or control the level of residual risk to an acceptable level. Where a residual risk is rated outside the risk appetite (risk tolerance) of the Council, an action is specified in the risk and control profile to ensure appropriate management action. This is an iterative process which continues until the level of residual risk is acceptable to Council. The below table can be used as a guide to the action that may be required.

Risk Rating Level	Action
Extreme	Identified risks which fall in the red area are deemed extreme risk to the organisation and must be reported to the Audit, Risk and Improvement Committee. These risks require immediate action to reduce the level of risk and the relevant Manager will ensure they are forwarded to the Committee. The appropriate Manager will ensure the implementation of a time monitored action plan and provide regular reports to the General Manager and Audit, Risk and Improvement Committee.
High	Identified risks which fall in the orange area are deemed high risk to the organisation and require prompt action to reduce the risk to an acceptable level. These risks and agreed action plans should be considered by the Audit, Risk and Improvement Committee. Risks that cannot be reduced by the affected Department should be forwarded for consideration by the General Manager and Committee.
Medium	Identified risks which fall in the yellow area are deemed medium risk to the organisation and require action to reduce risk to an acceptable level. Responsibility for taking action would normally remain within the appropriate Manager / Service Areas and monitored by Manex B and entered on the risk register.
Low	Identified risks which fall in the green area are deemed as acceptable risks and require no immediate action, but must be monitored regularly.

Results of Risk Assessment

Of the 32 risks identified by Council Management (see Table 1 below) **5** were rated as extreme inherent risks (ie the risk of the event occurring before considering any controls that may be in place). For a detailed description of each risk and the subsequent residual risk after controls are in place see Appendix 1.

Table 1
Inherent Risks Identified (numbered for reference purposes only)

#	Risk Description	Consequence	Likelihood	Inherent Risk	Risk Owner
1	Loss of water supply	Significant	Possible	High	MWS
2	Asset management systems not operating effectively	Moderate	Possible	High	AGMES / MA / MFS
3	Spread of noxious/environmental weeds	Significant	Likely	High	AGMES / MIS
4	Poor handling of asbestos in Council buildings/other property eg old water pipes	Catastrophic	Possible	High	AGMES / MWS / MA
5	Breach of regulatory and legislative obligations	Significant	Almost Certain	Extreme	MANEX A
6	Inadequate management reporting (financial and non-financial)	Significant	Likely	High	AGMCS
7	Fraudulent misappropriation of Council monies	Significant	Likely	High	AGMCS / MFS
8	Failure to deliver successful project outcomes	Significant	Almost Certain	Extreme	MANEX A
9	Inadequate management of waste disposal sites/tips	Significant	Possible	High	AGMES
10	Loss of potential income through inadequate grant applications and knowledge	Moderate	Possible	High	GM / MFS
11	Failure to meet water and sewer licence conditions	Moderate	Almost Certain	High	MWS
12	Loss of fees and inadequate plans in place - Section 94/64 fees	Significant	Possible	High	GM
13	Deterioration of road infrastructure	Catastrophic	Almost Certain	Extreme	MIS / MA
14	Breakdown of water and sewerage infrastructure	Catastrophic	Almost Certain	Extreme	MWS
15	Water contamination	Catastrophic	Unlikely	High	MWS
16	Inability to effectively deal with community emergencies	Catastrophic	Likely	Extreme	GM / AGMES
17	Interruption to Council operations	Significant	Likely	High	AGMCS
18	Failure of stormwater drainage systems	Significant	Likely	High	MIS / MA
19	Inadequate reserves to meet unplanned costs	Moderate	Likely	High	AGMCS / MFS
20	Payroll errors	Minor	Almost Certain	High	MHR

#	Risk Description	Consequence	Likelihood	Inherent Risk	Risk Owner
21	Poor records management	Minor	Possible	Medium	AGMCS
22	Poor contract management	Moderate	Possible	High	AGMCS / AGMES
23	Poor town planning decisions	Moderate	Likely	High	MDE
24	Poor condition of Council owned buildings	Significant	Likely	High	MA
25	Breach of Council policy	Moderate	Possible	High	GM
26	Inappropriate selection of service providers	Significant	Likely	High	MANEX A
27	Loss of specialist staff industry expertise and corporate knowledge	Significant	Likely	High	GM / MHR
28	Loss of Volunteers managing Council assets and services	Significant	Possible	High	AGMCS/AGMES
29	Lack of design capability within Council	Moderate	Possible	High	AGMES
30	Poor customer service	Moderate	Almost Certain	High	AGMCS
31	Inadequate ICT infrastructure and disaster recovery	Minor	Possible	Medium	AGMCS
32	Failure to allow for impacts of climate change on Council infrastructure	Significant	Likely	High	AGMES

Key:

GM	General Manager
AGMCS	Assistant General Manager Corporate Services
AGMES	Assistant General Manager Engineering Services
CFO	Chief Financial Officer
MA	Manager Assets
MDE	Manager Development and Environment
MHR	Manager Human Resources
MIS	Manager Infrastructure Services
MWS	Manager Water and Sewerage
MANEX A	All Managers

Appendix 1

Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
	Consequence	Likelihood	Inherent					

Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
	Consequence	Likelihood	Inherent					
1 **Loss of water supply** *Contributing Factors* • Drought • Pump failure • Bore failure • Loss of electricity • Limited alternate services for water • Inability to fund • Cost blowout • Poor design and estimate • Poor project management *Consequences* • Cost of transporting water into Shire • Reputational damage / community action / adverse media • Public health issues • Accident or death of residents • Loss of water supply to towns	Significant	Possible	High	1. Spare pump or bore (some installations) otherwise duty/standby pumps 2. Physical performance monitoring of pump outputs and water levels 3. Routine water analysis for quality control 4. On-call access to established contractors (electrical) 5. Proactive maintenance regimes 6. Reactive maintenance (breakdowns and pipe bursts) 7. Bowra Dam constructed 8. Monitoring trunk main leakage 9. Water restrictions regime	Qualified	Medium	1. Upgrade town pump installations including standby where appropriate 2. Installation of Telemetry control and alarm system for head works equip 3. Increased frequency of pump performance trends analysis and additional inputs to performance monitoring 4. Increased proactive pump maintenance schedules 5. Enhanced spending on proactive mains replacement and upgrade programs 6. Develop additional staff skills base 7. Identify system requirements for future upgrades. 8. Cross connection of trunk mains to provide redundancy	MWS

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
2	**Asset management systems not operating effectively** *Contributing Factors* • Lack of coordinated approach • Engineering and Finance staff using different programs • Inability to capture all required asset information • Limited staffing resources *Consequences* • Out dated asset information • All assets not being captured • Unknown state of Council's asset portfolio • Asset records not maintained • Assets are undervalued	Moderate	Possible	High	1. Quarterly reconciliation between register and completed works in Financial System 2. All asset management policies and plans updated 3. Asset Management Committee in place 4. Internal and external audits	Effective	Low	1. All assets to be itemised and revalued 2. All asset information to be captured in a central location 3. Gap analysis to be carried out on the state of Council's asset portfolio	AGMES MA CFO

Risk Description		Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
3	**Spread of noxious/environmental weeds** *Contributing Factors* • Lack of monitoring • Inexperienced staff • Failure of community to eradicate *Consequences* • Resident dissatisfaction • Compensation claims (e.g. ruined crops) • Decrease in population	Significant	Likely	High	1. Noxious Weeds Inspector employed 2. Property inspection program 3. Spraying program 4. DPI Categorisation of weeds – judicial enforcement 5. Landholder compliance 6. Attendance at field days	Qualified	Medium	1. Weed mapping of infestations 2. Program for property and Council land inspections. 3. Potential environmental weed control utilising steam	AGMES MIS

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
4	**Poor handling of asbestos in Council buildings and other property** *Contributing Factors* • Unknown location of asbestos • Inadequate safety measures (eg. waste depots, building renovations) • Lack of training / specialist skills *Consequences* • Financial claims from staff / community • Reputational damage • Project failure due to additional cost / timeframe • Closure of existing facilities • Death from melithesiosis	Catastrophic	Possible	High	1. Staff member trained in asbestos identification and handling 2. Contractors to be engaged to remove asbestos 3. Waste depot procedure in place for disposal of asbestos 4. Asbestos Management Plan for each building	Effective	Low	1. Review Council's Asbestos Management Policy 2. Remove all identified asbestos from council buildings and other assets such as old water pipes where required	AGMES MA MWS

Risk Description		Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
5	**Breach of regulatory and legislative obligations** *Contributing Factors* • New legislation or changes to existing legislative requirements • Wide range of obligations, including, Local Government Act, WHS Act, OLG, Workcover, Health regulations, Water Authority • Lack of Council wide compliance plan and monitoring process *Consequences* • Adverse media or political criticism • Accident resulting in death or injury • Loss of confidence in Council • Closure of Council Facilities / services • Financial impact – penalties or fines • Intervention by regulator	Significant	Almost Certain	Extreme	1. Training of staff and policies and procedures in place 2. Legislative changes advised by OLG, LGNSW, professional bodies, government agencies and via e-mail from Local Government Legal 3. Government Gazette regularly distributed, subscriptions to magazines/ periodicals and attendance at seminars 4. Internal Audit plan developed 5. ERMP developed	Effective	Low	1. Continue to revise Enterprise Risk Management Plan.	MANEX A

Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
	Consequence	Likelihood	Inherent					
6 **Inadequate management reporting (financial and non-financial)** *Contributing Factors* • Timeliness of transaction processing • Shortage of skilled resources • Poor training • Lack of IT focus on internal client needs and requests *Consequences* • Poor management decisions • Underutilisation of assets • Inability to proactively manage maintenance programs • Inability to forecast • Unexpected cash flow issues • Budget overruns	Significant	Likely	High	1. Committal of purchase orders 2. Authority reports available 3. Quarterly reporting 4. Monthly Capital Expenditure Reports to Council	Qualified	Medium	1. Fortnightly expenditure reports for Engineering Department 2. Conduct a needs analysis to ascertain the requirements of all Managers	AGMCS
7 **Fraudulent misappropriation of Council monies** *Contributing Factors* • Inadequate independent review of financial processes • Inappropriate changes to asset allocation / investment strategy • Staff fraud • Unclear segregation of duties • Lack of staff training • Management override of controls • Poor understanding of internal controls *Consequences* • Reputation impacts – impact on community support • Financial loss • ICAC investigation	Significant	Likely	High	1. Cash handling and cheque signing procedures in place 2. Investment strategy and policy in place 3. Segregation of duties – banking, receipting, mail register, checking of payroll output 4 Fraud Strategy and Policy adopted 5.Internal Audit 6.Delegations Register 7. Card only payments at tips	Qualified	Medium	1. Procurement and Stores to be reviewed	AGMCS CFO AGMES

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
8	**Failure to deliver successful project outcomes** *Contributing Factors* • Inadequate project management disciplines, such as projects not effectively scoped, business cases not sufficiently supported. • Projects under-resourced, over budget, slipped deadlines • Lack of project management reporting / indicators • Some new acquisitions by Council do not provide sufficient return on investment or timely payback *Consequences* • Failed Projects / key business initiatives • Financial loss • Reputation impact from failure to deliver on promises	Significant	Almost Certain	Extreme	1. Major projects tendered 2. Budget reports on costing 3. Monthly reporting for the project including: - Actual cost v Budgeted cost - Progress against timeframes - Key project KPI's	Requires Improvement	High	1. Project plans scoped in advance and costed for budget across all departments	MANEX A
9	**Inadequate management of waste disposal sites/tips** *Contributing Factors* • Landfill issues e.g. leachate, fires, pollution • Contractors not complying to contractual obligations • Illegal dumping *Consequences* • Breaches of Legislations, fines e.g. EPA • Financial costs • Injuries sustained	Significant	Possible	High	1. Operation in accordance with licence 2. Procedures for Landfill in place 3. Contracts are in place for all Contractors outlining obligations	Qualified	Medium	1. Review Contractors Policy 2. Prepare and implement Landfill Environmental Management plan including risks, signage, access roads, barriers to minimise public access to cells.	AGMES

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
10	**Loss of potential income through inadequate grant applications and knowledge** *Contributing Factors* • Staff not trained • Loose financial controls • Grants not being acquitted *Consequences* • Loss of potential funding for infrastructure/services • Reputation reduced if grants not acquitted	Moderate	Possible	High	1. Grants Officer engaged full-time 2. Contractor used where necessary for detailed applications 3. Grant opportunities advised through numerous newsletters and e-mails from various sources	Effective	Low	1. Review grant availability literature	GM

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
11	**Failure to meet water and sewer licence conditions** *Contributing Factors* • Staff oversight • Mechanical / electrical failures • Flood impacting water quality • Reservoir integrity compromised • Wet weather inflow / infiltration • Sewer blockages *Consequences* • Pollution event • Fines and penalties imposed	Moderate	Almost Certain	High	1. Trained Operators 2. Risk Base Water Quality Management Plan 3. Dam construction 4. Regular reservoir inspections and cleaning 5. Mains flushing program 6. Proactive sewer maintenance program 7. Testing regime for sewage treatment plant performance 8. Enforcement of Liquid Trade Waste and Backflow policies 9. Check licence conditions so they are being met	Qualified	Medium	1. Additional / improved water treatment infrastructure 2. Real time monitoring of chlorine residuals at the extremity of the water supply system 3. Increased investigation of sources of inflow and infiltration 4. Program to eliminate identified sources of inflow and infiltration	MWS

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
12	**Loss of fees and inadequate plans in place - Section 7.11/12 fees** *Contributing Factors* • Overriding Development Approval / Section 94 Policy • No comprehensive database for receipt of funds linked to S64 plans and work programs • Lack of consulting the community • Lack of environmental analysis *Consequences* • Resident complaint / community dissatisfaction • Lack of required infrastructure • Reputation • Missed opportunities for contribution revenue/Council to make up shortfall	Significant	Possible	High	1. Policies and procedures for DA's 2. Multiple signatories to any DA approved 3. Cost guidelines for various types of development 4. S7.11 and 12 (old S94) Plans in place	Effective	Low	1. Review and upgrade all checklists 2. Review Plans, Income and expenditure programs 3. Establish a database for receipting funds linked to S64 plans and work programs 4 Complete IWCM	GM

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
13	**Deterioration of road infrastructure** *Contributing Factors* • Skills shortage • Resource shortage • Poor management reporting • Inability to prioritise maintenance *Consequences* • Financial – larger fixes / repairs required • Reputational – community dissatisfaction • Project failure • Accident resulting in injury • Staff turnover	Catastrophic	Almost Certain	Extreme	1.Road Inspections 2.Customer Requests 3.Maintenance and Construction Budgets 4.Utilisation of new technology / plant 5.Training of Plant Operators 6. Sealed and Unsealed Asset Management Plans. 7.Maintenance Management System.	Qualified	High	1. Implementation of Asset Management software and data collection in the field, road inspections program 2. Regular review of Asset Management Plan 3. Training plan for outdoor staff to develop additional staff skills base and facilitate adequate resources for operations	MIS MA

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
14	**Breakdown of water and sewerage infrastructure** *Contributing Factors* • Inadequate asset management / maintenance program • Inability to forecast deterioration • Poor management reporting • Shortage of skilled staff • Lack of funding *Consequences* • Interruption to water supply • Recurring blockages and leaks in infrastructure • Reputational • Public health issues	Catastrophic	Almost Certain	Extreme	1.Physical performance monitoring of pump outputs and water levels 2.Physical performance monitoring of pump operation (sewer) 3.Regular inspection of key head works assets 4.Sewer pipe inspection and repair contracts 5.On-call access to established specialist contractors (eg electrical and sewage handling) 6.Proactive maintenance regimes and budgets 7.Reactive maintenance budgets available 8.Maintain on call staff roster	Qualified	Medium	1. Identify system requirements for future upgrades including consultant based designs and reports 2. Installation of Telemetry control and alarm system for head works equipment 3. Increased frequency of pump performance trends and additional inputs to performance monitoring 4. Increased proactive pump maintenance schedules 5. Enhanced spending on proactive mains replacement and upgrade programs 6. Develop additional staff skills base and facilitate adequate resources for operations 7. Introduce retrospective policy enforcement such as Liquid Trade Waste and Backflow policies 8. Prepare an emergency plan that could be implemented in the event that water could not be supplied.	MWS

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
15	**Water contamination** *Contributing Factors* • Pollutants entering water course / dams (eg. rural waste depots) • Inadequate monitoring of water quality • Failure of water treatment plans *Consequences* • Interruption to water supply • Penalties and fines • Cost of transporting water • Reputational • Public health issues	Catastrophic	Unlikely	High	1.Regular inspections and testing of existing disinfection systems 2.Monitoring against ADWG publication parameters 3.Participation in NSW drinking water testing scheme 4.Operation and maintenance of Water Treatment Plant to accepted guidelines 5.Minimise sewer surcharge events 6.Backflow prevention policy 7. Asset Management Strategy established 8.Water source through dam, river and bores	Effective	Low	1. Enhance remote water quality monitoring capabilities in all supplies 2. Partnership with other groups (eg Landcare) catchment management projects 3. Upgrade WTP 4. Continue staff training development on disinfection operation and processes 5. Proactive involvement with participation on water quality committees 6. Increase water quality testing in reticulation and increase operational testing such as raw water baseline monitoring and trending 7. Improve effluent quality in Sewer Treatment Plants	MWS

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
16	**Inability to effectively deal with community emergencies** *Contributing Factors* • Fire • Flood • Power outage • Accident *Consequences* • Public safety (death / serious injury) • Community disruption • Public health issues • Legal action against council by community / government • Reputation damage • Cost of repairs • Loss of residents	Catastrophic	Likely	Extreme	1. LEM and committee established 2. RFS/SES new control centres 3. Dam safety upgrade and early warning system 4. Drainage plans completed, flood studies completed, rural addressing commenced, creek clearing 5. Disaster relief grants available 6. Back up generator and duplicate operation centres at depot and admin centre 7.Consequence management plans are endorsed by the REMC	Effective	High	1. Development of LEMC consequence management plans through the LEMC 2. Conduct desktop exercise to test consequence plans 3. Complete rural addressing. 4. Identify alternate location for plant and equipment	GM AGMES

Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
	Consequence	Likelihood	Inherent					
17 **Interruption to Council operations** *Contributing Factors* • Fire / fuel explosion at depot • Power outage • IT system failure • Pandemic / sickness *Consequences* • No council related services • Reputation damage • Cost of repairs	Significant	Likely	High	1. Computer systems backup kept off site 2. Business Continuity Plan in place 3. Staff training for evacuations (fire etc) 4. Emergency Management Plan in place	Effective	Low	1. Evacuation drills held every 6 months	AGMCS GM
18 **Failure of stormwater drainage systems** *Contributing Factors* • Inadequate asset management / maintenance program • Inability to forecast deterioration • Poor management reporting • Shortage of skilled staff • Lack of funding • Climate change/rising sea levels *Consequences* • Flood • Recurring blockages in infrastructure • Reputational • Public health issues	Significant	Likely	High	1.Funds included for drainage maintenance and capital works in budget 2.Stormwater drainage strategies – for towns and villages 3.Staff engaged with relevant experience 4.Stormwater Asset Management Plan, Control Improvement Plan	Qualified	Medium	1. Implement CCTV inspections to improve data, condition and assessment of risk	MIS MA

Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
	Consequence	Likelihood	Inherent					
19 **Inadequate reserves to meet unplanned costs** *Contributing Factors* • Poor cash flow management • Inappropriate investment strategy • Excessive spend on new facilities (e.g. land and buildings) • Untimely management reporting • Untimely / inaccurate transaction recording • Shortage of skilled staff • Potential insufficient funds to meet employee leave entitlement *Consequences* • Not achieving management plan • Not being able to respond to community emergencies / incidents • Reputational damage • Deterioration of asset infrastructure • Inability to access cash	Moderate	Likely	High	1. Investment Strategy and policy in place 2. Provision in budget for reserve transfers (Adhere to Operational Plan) 3.Monthly leave reports provided to managers 4.Policy to determine the minimum amount to be held in reserves at all times	Qualified	Medium	1. Plan for surplus budgets in the future where possible 2. Increase follow – up on outstanding debtors especially water 3. Strategy and ongoing review of appropriate reserve levels	AGMCS CFO
20 **Payroll errors** *Contributing Factors* • Insufficient staff skills / qualifications • Lack of training • Multitasking of staff • Lack of review of payroll prior to disbursement *Consequences* • Dissatisfied staff • Loss of staff / staff turnover • Reputational damage	Minor	Almost Certain	High	1. Timesheets checked by Coordinators and Supervisors 2. Payroll output checked by the MHR and signed by section managers 3. Internal and External audits 4. Finance/IT System controls	Effective	Low	Nil	MHR

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
21	**Poor records management** *Contributing Factors* • Lack of systems storage capability • Lack of training (e.g. privacy requirement) • Lack of operating procedures • Lack of IT security (eg. internet, user access profiles) *Consequences* • Breach of state records regulations / privacy act (fines and penalties) • Loss of critical information • Misuse of information / reputational damage	Minor	Possible	Medium	1. Records Management Policy and Program 2. Content Manager implemented and training manual and help desk available 3. Staff training and attendance at conferences 4. Additional Content Manager training for staff	Qualified	Low	1. Review security levels for Content Manager 2. Review Records Management Policy and Program every second year	AGMCS

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
22	**Poor contract management** *Contributing Factors* • Lack of review of contract obligations, rights, service levels • Lack of monitoring of compliance with contracts • Incorrect / inadequate legal advice • Inadequate commercial experience (eg. software development is not a core council activity) *Consequences* • Inadequate protection of intellectual property (eg. commercial ventures) • Legal action against Council • Breach of contracts • Poor service levels • Insufficient Insurance coverage	Moderate	Possible	High	1. Up to date policies and procedures on Tendering and Procurement 2. Supervision of contracts 3. Delegations of Authority to be given to all positions, workflows and approvals 4. All contractors registered onto Council's Safety Management System (Vault)	Qualified	High	1. Intellectual property to be protected – Content Manager 2. Development of procedures for contract management for the entire organisation and not compartmentalised 3. Development of procedures for contract management	GM AGMES

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
23	**Poor town planning decisions** *Contributing Factors* • Lack of skilled staff • Poor training • Corruption / fraud (eg. Building and Health inspections, approval process) • Inadequate DA process • Inadequate documentation of procedures / controls / role clarity • Non-compliance with approved DA policy *Consequences* • Complaints from residents and businesses • Legal action against council • Unexpected fines, penalties and legal costs • Reputational damage • Difficulty in attracting new residents and businesses	Moderate	Likely	High	1. LEP/DCP in place 2. Policies and checklists for DA's 3. Qualified staff and staff training 4. Procedure for checking planning and Building Certificates 5. Electronic DA checking on website 6. Fraud Management Plan and Policy in place.	Qualified	Medium	1. Review LEP	GM MDE
24	**Poor condition of Council owned buildings** *Contributing Factors* • Lack of maintenance • Resource shortage • Inability to prioritise maintenance *Consequences* • Collapse of building • Reputational • Accident resulting in injury / death • Cost of repairs	Significant	Likely	High	1. Building inspections on a regular basis 2. Staff employed to manage maintenance of buildings along with budget allocation 3. Buildings Insurance 4.Building Asset Management Plan	Qualified	Medium	1. Building maintenance plan from asset management system 2. Implement programmed maintenance and preventative maintenance programs 3. Regular contact with the committees of management	MA

Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
	Consequence	Likelihood	Inherent					
25 **Breach of Council policy** *Contributing Factors* • Outdated policy • Lack of awareness • Lack of training • Poorly documented procedures *Consequences* • Breach of regulations • Reputational • Financial costs • Accidents • Environmental	Moderate	Possible	High	1. Disciplinary procedures in place 2. Staff Training /Inductions of new staff 3. Policy and Procedures Framework adopted 4. Governance Framework and governance Assurance framework adopted	Effective	Low	1. Further training on policies 2. Procedures to be documented for all staff 3 Implement Policy Point software	AGMCS
26 **Inappropriate selection of service providers** *Contributing Factors* • Inadequate procurement policy • Lack of documented procedures • Lack of training • Fraud / corruption *Consequences* • Breach of regulations • Reputational • Financial costs • ICAC investigation • Poor quality of service	Significant	Likely	High	1. Procurement Policy 2. Tendering Policy 3.Internal and External Audit 4. Staff Training and delegations	Effective	Low	1. Review of Tendering and Procurement policy and procedures	MANEX A

Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
	Consequence	Likelihood	Inherent					
27 **Loss of specialist staff industry expertise and corporate knowledge** *Contributing Factors* • No succession planning • Lack of documentation of role responsibilities / operating procedures • Loss of 2 or 3 members from a team • Vacant roles (no handover) • Lack of adequate training • Dissatisfied staff *Consequences* • Inefficient delivery of Council services • Human error • Breach of legislation • Reputational damage	Significant	Likely	High	1. Procedures in place for most positions – so that new staff can see what the duties and procedures are 2. Succession and workforce plans 3. Provision of employee benefits – salaries, flexible working hours, job sharing to retain staff 4. Remuneration benchmarking 5. Exit interviews	Qualified	Medium	1. Investigate other ways of retaining key staff 2. Review of Workforce Plan	GM MHR

	Risk Description	Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
28	**Loss of volunteers managing Council assets and services** *Contributing Factors* • Inadequate management of volunteers • Inadequate screening / induction and training processes for volunteers • Inadequate safety measures • Lack of support from Council *Consequences* • Prosecution of volunteers / Council • Community support • Increased cost of maintenance • Reputational damage	Significant	Possible	High	1. Code of Conduct Policy 2. Police checks, working with children checks 3. Volunteers Policy 4. Volunteers Handbook 5. Volunteer Safety Information Handbook and induction training 6. Training for Section 355 committee members	Effective	Low	1. Hold a volunteer thankyou function annually	AGMCS AGMES
29	**Lack of design capability within Council** *Contributing Factors* • Short time frame for applying for grants • Prioritisation against existing work schedules • Skills shortage • Lack of design / estimator resource *Consequences* • Outsourcing designs causing higher costs • Project cost blowouts / errors • Missed grant opportunities • Resource misallocation • Impact on providing community support	Moderate	Possible	High	1.Engage consultants for design 2.Resource share with other Council's 3.Training with AutoDesk in AutoCad and CivilCad software 4.Purchase of design software upgrades and survey equipment	Effective	Low	1. Create additional Design or Cadet Engineer position 2 Engage multi skilled staff that are able to produce designs	AGMES

Risk Description		Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
30	**Poor customer service** *Contributing Factors* • Lack of skilled staff • Poor training • Lack of documented procedures / scripting / escalation *Consequences* • Resident and business complaints • Reputational damage • Decreased population	Moderate	Almost Certain	High	1. Customer Requests – MERIT system 2.Customer Service Charter 3.Community satisfaction surveys 4.Staff training 5.Stakeholder Engagement Strategy	Effective	Low	1. Reinforce customer service standards to staff in particular correspondence and telephone enquiries 2. Train all staff in MERIT system or similar	AGMCS

Risk Description		Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
31	**Out-dated ICT infrastructure** *Contributing Factors* • IT Strategy not implemented • Prioritisation of Authority System *Consequences* • Inefficient and untimely management reporting – poor decision making • Unexpected cost overruns (works and projects) • Inability to make well informed decisions • Reduced quality of information available to the community • Ineffective utilisation of Council assets • Reduced IT support to end users • Lack of awareness of the role of IT	Minor	Possible	Medium	1. Budget provides for replacement equipment as required 2 ICT strategy developed to replace software and hardware 3. Software being updated for Infocouncil, Content Manager, Microsoft 4. Budget allowance for upgrades to software and hardware	Qualified	Low	1. A needs analysis to be completed that takes into account the various IT requirements needed by each department 2. An analysis of the current IT software and infrastructure to be completed.	AGMCS

Risk Description		Inherent Risk Rating			Controls in Place	Control Effectiveness Rating	Residual Risk Rating	Control Improvement Plan	Owner
		Consequence	Likelihood	Inherent					
32	**Failure to account for impacts of climate change on Council infrastructure** *Contributing Factors* • Inadequate asset management / maintenance program • Inability to forecast climate change impacts • Lack of staff training and awareness • Shortage of skilled staff • Lack of funding • Climate change/rising sea levels/more intense rainfall events/bushfires • Coastal erosion *Consequences* • Flooding of low lying residential areas • Recurring blockages in infrastructure • Reputational damage • Public health issues • Legal action against Council • Destruction of council infrastructure from fires and inundation	Significant	Likely	High	1.Climate Change Policy 2.LEP and DCP to control future development 3.Flood management plan adopted 4 Long term asset management plans 5.Nambucca Rivers and Creeks Estuary and Coastline Management Committee in place 6.Emergency Management Plan in place 7 Climate Change action plan in place	Qualified	Medium	1.Implement Climate Change Action Plan 2.Provide annual funding in budget to implement actions in Plan 3.Monitor climate change annually 4.Training of staff on climate change impacts and environmental sustainability	AGMES MDE

Management conducted a self-assessment process to identify the controls that are in place for each key risk, the control effectiveness rating, and the proposed control improvement plans required, for each risk in the above table.

Nambucca Shire Council

ENTERPRISE RISK MANAGEMENT PLAN

Issue December 2018

I confirm that I am in receipt of a copy of Nambucca Shire Council's Enterprise Risk Management Plan, have read and understood same, and held

discussions with my staff outlining Council's policy in this regard, our role in the risk management process, and its requirements of us.

……………………………………………..
Signed

………………………………………….
Name

…………………………………………
Position

…………………………………………
Date

Should you have any questions in relation to Nambucca Shire Council's Enterprise Risk Management Plan, please contact: Manager Human Resources.

RETURN THIS SLIP TO:

Manager Human Resources