

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.'

1 Policy Objectives

Council recognises that effective risk management is a critical part of good governance, leadership and continuous improvement.

The purpose of this policy is to provide an integrated and systematic risk management framework that ensures:

- risk management is integrated into all Council strategic and operational processes
- that Council maximises its opportunities, whilst minimising the negative impacts through effective risk management
- a formal and structured approach to the effective identification, analysis, evaluation, treatment, management, monitoring and reporting of risk, to assist Council in setting appropriate strategies, achieving objectives, making informed decisions and meeting community expectations
- appropriate escalation

This policy underpins the Council's commitment to sustainability and continuous improvement and to protecting the community, employees, assets and the organisation against potential losses.

2 Related Policies and Documents

The following documents all support this policy and aim to reduce Council's exposure to risk:

- Enterprise Risk Management Plan Doc No 33747/2018
- Control Action Plans Doc No 37189/2018
- Australian/New Zealand Standard ISO 31000:2018 *Risk Management*
- Local Government Act 1993
- Fraud Management Strategy No CS 19
- Fraud Management Policy No CS 20
- Fraud Risk Register
- Financial Sustainability Policy No CS 07
- Statement of Business Ethics Policy No G 07
- Internal Reporting Policy No G 08
- Related Party Disclosures Policy No G 09
- Code of Conduct Policy No G 04
- Governance Assurance Framework Policy No G 02
- Various Work Health and Safety Policies and Procedures including Safe Work Method Statements
- ICT Incident Management Policy No CS 25
- Disaster Recovery Plan Doc No 9114/2007
- Business Continuity Plan Doc No 9124/2007

3 Definitions

Risk	AS/NZS ISO 31000:2018 defines risk as the effect of uncertainty on objectives, where an effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats.
Risk Management	coordinated activities to direct and control an organisation with regard to risk
ERMP	Enterprise Risk Management Plan
ARIC	Audit, Risk and Improvement Committee

4 Policy Content

4.1 Risk Management Principles

Nambucca Valley 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.

The international standard for Risk Management - Guidelines (ISO 31000:2018) is based on the following eight risk management principles, which underpin this policy and guide how risk is managed across the Council:

Integrated	An integral part of all organisational processes
Part of decision-making	Aids decision-makers in making informed choices and identifying the most effective course of action
Structured and comprehensive	Contributes to efficiency and to consistent and comparable results
Best available information	Based on historical and current information, as well as on future expectations, taking into account any limitations associated with such information and expectations
Customised	Aligns with the internal and external context related to objectives
Human and cultural factors	Recognises that the behaviour and culture can significantly influence the achievement of objectives
Inclusive	Requires appropriate and timely involvement of stakeholders to enable their knowledge, views and perceptions to be considered
Dynamic	Anticipates, detects, acknowledges and responds to changes in Council's internal and external contexts, that result in new risks emerging and others changing or disappearing
Continual improvement	Learning and experience drives continuous improvement

The benefits of effective risk management include:

- Better strategic planning;
- Limited costly surprises;
- Better outcomes;
- Better use of resources (people, funds and equipment);
- Transparent decision making;
- Enhanced decision-making, performance and accountability;
- Greater certainty and confidence;
- Better management of both new opportunities and losses;
- Better planning, organising, leading, coordinating and controlling activities;
- Maximised value from our assets, projects and business ventures; and
- Innovation.

It is not possible to eliminate all risks therefore the objective is to ensure that the risks involved in Council functions are appropriately managed.

4.2 Organisational Context

Local Government operates under the Local Government Act (1993) (the Act). The Act defines the roles, the aims and the objectives of Local Government.

Although the Act governs the functions of Council, there are many other Acts, Regulations, Codes of Practice and Standards that also apply.

Council's Community Strategic Plan aligns with the aims and objectives for Local Government and is the basis for all Council management plans and processes. It provides a strategic overview and guide to the organisation.

Organisational risk management aims and objectives are established by this policy.

Local Government authorities operate in an increasingly complex environment of on-going economic, political and corporate change. The external setting is multi-layered and includes:

- other tiers of government
- regional authorities
- community organisations
- community expectations
- legislative reform
- population demographics

These items impact significantly on the way in which we deliver services and interact with the community. Council must take into account these relationships and issues, in all of its decision making and risk management processes.

Good risk management is an essential element of maintaining balance between risk and reward – threat and opportunity – strategy and operations.

This risk management framework defines the scope, objectives, measures, roles, responsibilities, processes, tools and documentation for all organisational risk management activities.

The Elected Body will define Council's Risk Appetite (see section 5), taking into consideration the nature and extent of the risks Council is willing to take in order to achieve its strategic objectives.

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.

4.3 Leadership and commitment

The Elected Body and the Management Executive Team (MANEX A) will demonstrate leadership and commitment, to ensure that risk management is integrated into all organisational activities by:

- ensuring that a risk framework policy and supporting documentation is developed and implemented
- allocating appropriate resources for risk management
- assigning roles, authorities, responsibilities and accountabilities with respect to risk management

4.4 Integration

Risk management is not an isolated function and, in order to maximise risk management benefits and opportunities, risk management will be integrated through Council's entire operations, which includes:

4.4.1 Enterprise Risk Management

When setting organisational strategies, Council will identify the potential events that may affect the achievement of its objectives. Strategic and Organisational Risks will be identified by reference to both the external and internal environment.

Strategic and Organisational risks are monitored by MANEX A, Council's Audit Risk and Improvement Committee (ARIC) and the Elected Body, with all risk assessments captured into Council's Enterprise Risk Management Plan.

Operational Risks that arise from Council's day-to-day departmental functions and operations are monitored by managers and the CMT.

4.4.2 Strategic and Business Planning/Decision Making

When undertaking strategic and business planning, (which includes long term financial planning and annual budgeting,) the risks to meeting Council objectives and the effectiveness of systems that are in place to manage those risks, will be adequately considered.

Risk Management will be integrated into Council's decision making processes and Council Reports will include risk management considerations.

4.4.3 Work Health and Safety

Work Health and Safety (WHS) is a critical component of Council's risk management system as it involves the risks that Workers face while carrying out work for/on behalf of the Council.

Council has implemented a WHS system (VAULT) to manage WHS risks to workers in accordance with the WHS Act 2011 and Regulations.

4.4.4 Service Delivery

Council's risk exposures vary according to the functions, facilities and services it provides and these will inevitably change over time. Council's planning processes will address both the risks associated with providing functions, facilities and services (such as capacity and resources) and also the risks arising from their delivery (such as public safety and community reaction).

4.4.5 Emergency Management (EMPLAN)

Council plans for and undertakes prevention, preparedness, response and recovery activities to support its workers and the community, in the event of emergencies and natural disasters. This process includes alignment and co-operation with lead agencies and other councils in the region.

4.4.6 Business Continuity Plan

Council will ensure that critical business functions continue after a business interruption. Council will develop a business continuity plan (BCP), taking into consideration reasonably foreseeable risks and their potential impact on achievement of Council's objectives.

The BCP will manage risk by limiting or reducing the impact of a disruption (such as due to a severe weather event or loss of key personnel), enabling the resumption of critical Council business functions/services following a disruption.

4.5 Risk Management System

Council's risk management system involves a set of eight steps that have been developed, based upon best practice risk management principles, to provide a structured and consistent approach to the effective identification, analysis, evaluation, treatment, management, monitoring and reporting of risk.

4.5.1 Communication and Consultation

Authentic communication and consultation with internal and external stakeholders is critical to the successful identification and management of risk.

4.5.2 Define the Scope, Context and Criteria

As the risk management system is applied at different levels throughout the organisation it is important to consider risks in context with Council's objectives, values and resources, along with any potential to impact other activities and external stakeholders.

4.5.3 Risk Identification

The process of identifying the events that have the potential to impact upon the achievement of Council's objectives is critical in protecting the community, employees, assets and the organisation against potential losses and maximising opportunities.

4.5.4 Risk Analysis

Council will consider the risks identified and the effectiveness of any current controls utilising Council's Risk Matrix and Consequence tables (Refer APPENDIX A).

4.5.5 Risk Evaluation

Risk priorities are determined based upon the outcomes of the risk analysis.

4.5.6 Risk Treatment

One or more options for modifying the risks may be selected to reduce the risk of the consequence occurring or in the case of opportunities, ensuring that the consequences are realised.

4.5.7 Recording and Reporting

Identified risks will be documented, monitored, reviewed, managed and reported via Council's Control Action Plans (the Plans) in order to build a risk profile for the Council.

4.5.8 Monitoring and Review

The Plans and other risk management activities will be regularly monitored by the General Manager and reviewed by the MANEX A Team on a monthly basis to monitor, measure and evaluate risk management effectiveness.

To ensure the continued relevance and value of risk management to the organisation, Council will adapt its risk management activities in response to review/audit processes, with a view to continually improving risk management suitability, adequacy and effectiveness.

4.6 Implementation

The Plans set out the priority risk management projects to be implemented, along with timing and resource requirements, for the immediate calendar year.

Risk management project timing remains flexible and may change depending on organisational priorities. Additionally, the Plans will retain a level of flexibility to reallocate resources and defer or replace risk management projects based on risk issues that may emerge, to ensure Council is managing its risks appropriately.

4.7 Performance Management

Results from the implementation of this policy include:

- improved planning, particularly in regard to continuity of service delivery
- improved financial planning and resource allocation through a reduction in the likelihood of 'surprises' and proactive management of challenges and undesirable events

- greater understanding of roles and responsibilities for risk, contributing to the development of a positive organisational culture
- risks incorporated in decision making by the Executive Leadership Team and Councillors

4.8 Internal Audit

Internal audit is an independent, objective monitoring and evaluation activity designed to add value and improve the organisation's operations.

Internal audit assesses the adequacy of select controls identified. Control issues identified through the internal audit process will inform this policy and the Plan and may result in the identification of new risks or more effective treatments for existing risks.

4.9 Roles and Responsibilities

Risk management is a continuous process that demands awareness and proactive behaviour from all staff, contractors and external service providers.

Position	Responsibility
General Manager and ARIC	Ensure there is a risk management system in place based on AS/NZ ISO 31000:2018 and consistent with Council's business, ethical and professional standards.
Managers/Supervisors	Risk management is a core responsibility of management who are required to: <ul style="list-style-type: none"> • Identify, assess, manage and report risk • Ensure staff have appropriate capability to perform their risk management roles • Prioritise and schedule risk control improvements and implement risk control action plans
Safety and Risk Officer	Support all staff in undertaking their risk management activities and implements this Policy and the Framework.
All Council officials	Identify and manage risk within their work areas and be familiar with, and understand, the Risk Management Framework including the risk reporting protocols. They are to differentiate between risks within their responsibility and authority to manage, and those they should escalate through their management structure for further consideration and management.
Contractors, committees and volunteers	Comply with this policy when engaged in providing Council services, or managing of Council facilities and assets. All committees are required to consider relevant risks and their management as a regular item of all meetings.
ARIC	Responsible for providing independent assurance and assistance to Council on risk management, control, governance and external accountability responsibilities

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 Audit, Risk and Improvement Committee 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.

The risk management process has the following components:

- i Communicating and consulting
- ii Establishing the context
- iii Identifying risks
- iv Analysing risks
- v Evaluating risks
- vi Treating risks
- vii Monitoring and reviewing

The components and the risk management process are detailed in Council's *Enterprise Risk Management Plan*.

Risk management is to be embedded in all of Council's important practices and processes so that it is relevant, effective, efficient and sustained.

5.0 Risk Appetite

Risk appetite is the amount and type of risk that Council is prepared to tolerate or accept in the pursuit of our objectives. It is expressed in the form of a risk appetite statement which covers a number of critical risk categories.

Council generally has no appetite for risks which are assessed as **Extreme** or **High** risks as defined in APPENDIX A. In particular Council has no appetite for risks which will:

- i have a significant negative impact on Council's long term financial sustainability result in major breaches of legislative requirements and/or significant successful litigation against Council;
- ii compromise the safety and welfare of staff, contractors and/or members of the community;
- iii cause significant and irreparable damage to the environment;
- iv result in major disruption to the delivery of key Council services;
- v result in widespread and sustained damage to Council's reputation;
- vi have a significantly impact on Council's ability to recruit and retain staff.

It must be noted that Council provides a large and diverse range of services to a large and diverse population. In order to provide these services Council must accept and take some level of risk. Council therefore has a moderate appetite for risks which need to be taken in order to:

- i improve efficiency, reduce costs and/or generate additional sources of income
- ii maintain and, where necessary, improve/deliver improved levels of service to the community.

The level of risk that is acceptable will be assessed and determined on a case by case basis. The Risk Appetite table that follows provides an overall expression of Council's risk appetite. Council's risk appetite will be regularly reviewed, and updated as required (at least annually).

Council's current risk appetite statement is expressed in the table below:

Risk Category	Generally Within Risk Appetite	Generally Outside of Risk Appetite
Environmental Risks	<p>Risk of minor and/or short term environmental impact necessary in order to achieve Council's key objectives.</p> <p>Council has a moderate appetite for managed risks associated with decisions that promote ecologically sustainable development.</p>	<p>Risks which may have significant long term negative environmental consequences.</p> <p>Council has no appetite for risks which will cause significant and irreparable damage to the environment.</p>
Workplace Health and Safety Risks	<p>Whilst Council will attempt to avoid or control all safety hazards as far as practicable it is acknowledged that minor incidents or injuries may occur in the course of undertaking normal business activities.</p>	<p>Known and avoidable risks that could result in lost time injuries or illness or risks that have a long term impact on staff health, wellbeing or morale.</p>
Strategic Risks	<p>Risks that may result in the need for minor re-prioritisation of resources to enable objectives to be achieved.</p> <p>Council has a moderate appetite in terms of the operational risk associated with the implementation of change and key strategic plans.</p>	<p>Risks that may result in Council's ongoing viability being brought into question or multiple key objectives not being achieved.</p>
Compliance and Regulation	<p>Nil</p>	<p>Council recognises the need to place high importance on compliance and regulation and has no appetite for breaches in statute, regulation, professional standards, ethics, bribery or fraud.</p> <p>Council has no appetite for risks of non-compliance with legal, professional and regulatory requirements.</p>
Financial Risks	<p>Calculated financial risks to deliver important infrastructure or improve service delivery that do not place Council's long term financial sustainability at risk.</p>	<p>Council has no appetite for decisions which may have a significant negative impact on Council's long term financial sustainability or are highly speculative.</p> <p>Council has no appetite for risks of internal fraud, collusion, theft and associated losses and reputational damage.</p> <p>Council has no appetite for decisions that would cause Council to become unable to pay its debts as and when they fall due.</p>
Human Resources	<p>Minor unforeseeable or unpreventable incidents or issues that arise from dealing with a diverse workforce.</p> <p>Short term pressure on staff due to elevated turnover.</p> <p>Council has a low appetite for risks arising from inadequately trained staff or failed internal processes.</p> <p>Council recognises that its staff are critical to achieving its objectives and therefore the support and development of staff is key to making Council an inspiring and safe place to work.</p> <p>Council has a medium appetite for risks associated with decisions that involve staffing or culture to support transformational change and ensure Council's processes are continually improving.</p>	<p>Reasonably foreseeable serious and preventable issues.</p> <p>Insufficient staff numbers or capabilities to provide critical services.</p> <p>Council has no appetite for risks compromising staff safety and welfare.</p> <p>Council has no appetite for risks significantly impairing its ability to recruit and retain quality staff.</p>

Risk Category	Generally Within Risk Appetite	Generally Outside of Risk Appetite
Operational Activities	<p>Risks that may result in minor disruption to critical Council services (less than 2 days) or short term disruption to less critical services (less than 10 days)</p> <p>Council has a low appetite for operational risks arising from failure to meet customer commitments and/or suitability of advice.</p> <p>Council has a low appetite for third party partner (contractors) failure.</p> <p>Council has moderate appetite for managed risks associated with improvements to service delivery; and</p> <p>Council has a moderate appetite for managed risks associated with improved efficiency of Council operations.</p>	Risks that disrupt critical Council services for beyond 2 days or less critical services beyond 10 days
Reputational	Localised, short term negative publicity as a consequence of making decisions in an environment where there are competing priorities and interests.	<p>Long term sustained negative publicity that damages Council's reputation and takes a long time to repair.</p> <p>Council has no appetite for reputational risks associated with any form of official misconduct or criminal conduct.</p>
Public Safety and Wellbeing	Risks that result in some inconvenience to the community that is necessary in order to achieve Council's key objectives.	Risks that may lead to serious loss, injury or illness to third parties resulting in litigated claims against Council.
Information	Council has a low appetite for information and communication systems failures.	Council has no appetite for information and data security and /or privacy breaches.

6.0 History

Department:	Governance	Last Reviewed	Resolution Number
Policy Category	Council	25 Oct 2018	512/18
Endorsed By:	General Manager	10 March 2020 by AGMCS	
Approval Authority	Council	11 Oct by AGMCS	
Policy Owner	General Manager		
Contact Officer	AGMCS		
Document No.	37355/2018 superseded 2440/2011		
First Adopted	18 February 2010		
Resolution No:	N/A		
Review Date:	October 2024		



APPENDIX A

ERM Terms Explained

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	<ul style="list-style-type: none"> ▪ Direct loss or opportunity cost with > A\$10M impact 	<ul style="list-style-type: none"> ▪ Direct loss or opportunity cost with A\$2-10M impact 	<ul style="list-style-type: none"> ▪ Direct loss or opportunity cost with A\$250K-2M impact 	<ul style="list-style-type: none"> ▪ Direct loss or opportunity cost with A\$50K-250K impact 	<ul style="list-style-type: none"> ▪ Direct loss or opportunity cost with < A\$50K impact
	Operational	<ul style="list-style-type: none"> ▪ Key project failure ▪ Information systems or security failure causing permanent loss of critical business information ▪ Event resulting in death ▪ A major environmental incident 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Information system unavailable for 1 day or less
	Reputation	<ul style="list-style-type: none"> ▪ Significant adverse national media coverage ▪ Regulatory sanctions 	<ul style="list-style-type: none"> ▪ ICAC investigation ▪ Significant state media coverage ▪ Adverse national media coverage 	<ul style="list-style-type: none"> ▪ Adverse regional media coverage ▪ Potential breach of regulations ▪ Community protests / strikes 	<ul style="list-style-type: none"> ▪ Local Government sector knowledge of incident, but no media attention ▪ Some impact on community support 	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	Catastrophic					
	Significant					
	Moderate					
	Minor					
	Insignificant					
Key	Rare	Unlikely	Possible	Likely	Almost Certain	
Extreme Risk		LIKELIHOOD				
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 the Executive Leadership Team 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.