

RISK MANAGEMENT FRAMEWORK



Adopted by Council 17/11/2015

Minute: 11.4.3



RISK MANAGEMENT FRAMEWORK

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POLICY NUMBER	DATE PROCEDURE ADOPTED	AMENDMENT DATE & MINUTE NUMBER	PROCEDURE TYPE
		6 th October, 2015	Council
RESPONSIBLE MANAGER	RELATED LEGISLATION	STRATEGIC PLAN REFERENCE	DATE OF NEXT REVIEW
General Manager	Work Health and Safety Act 2012 AS/NZS ISO 31000 Risk Management	3.5 Risk Management To be actively committed to risk management.	6 nd October, 2018

SECTION 1 – OVERVIEW

1.0 Introduction

Kentish Council operates within the framework of Local Government defined by the **Local Government Act 1993** and provides service, compliance and regulatory functions to the community.

Risk management is critical to Council's ability to achieve the objectives contained in the Strategic Direction.

The framework provides the necessary foundations and organisational arrangements for managing risk across the organisation. The framework outlines how we ensure that we manage risks effectively and efficiently.

It illustrates how risk management is embedded in Council's organisational systems to ensure it is integrated at all levels and work contexts. It describes the key principles, elements and processes to guide all staff in effectively managing risk, making it part of day-to-day decision making and business practices.

Council's success depends upon factors including:

- the health and wellbeing of our people;
- due care towards our customers and the community;
- the protection of our assets;
- incorporating legislative requirements into our work processes;
- sound financial management; and
- good governance and political decision making.

1.1 Background

Risk is inherent in all aspects of an organisations activity. AS/NZS ISO 31000 Risk Management Principles and Guidelines (the Standard) defines risk as "the effect of uncertainty on objects".

Risk management refers to coordinated activities which direct and control an organisation with regard to risk. A Risk Management Framework is defined as the set of



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components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout an organisation.

Risk management involves establishing a customised Risk Management Framework, a risk aware culture, and applying logical and systematic risk management processes to all stages of any decision, activity, function or operation that includes the potential for risk.

1.2 Objectives

The aim of the Risk Management Framework is not to eliminate risk, rather to identify and manage risk on an ongoing basis in a consistent way across all council activities, whilst maximising opportunities and minimising adversity. It provides a system for the setting of priorities when there are competing demands on Council's limited financial and staff resources. Furthermore, the Framework supports the transparency of risk information to all stakeholders and interested parties.

Risks emerge as circumstances change – risk is dynamic and as such the process of risk management is continual. Risk management will form part of how we do our work and deliver services to our community on a day to day basis. Responsible risk management activity must be a part of the normal management practice and actions of employees.

Kentish Council will utilise the framework provided by the Risk Management Standard ISO 31000 to develop and implement its approach to:

- Risk identification;
- Risk analysis;
- Risk evaluation;
- Risk treatment;
- Monitoring and review; and
- Communication and consultation.

Risk management is incorporated into the strategic, annual and operational planning processes at all levels of Council.

Key objectives of the Framework include providing Council with the tools required to practice effective risk management. The Framework is designed to:

- Outline the key principles and approach Council will employ to manage risks including appropriate methodologies with respect to the identification, analysis, measurement, management, reporting and monitoring of all risks;
- Identify stakeholders and outline their risk management roles and responsibilities;
- Ensure risk management activities are consistent with Council's strategic objectives which satisfy all legal and regulatory obligations;



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- Create a sound internal control environment;
- Ensure that reporting of risk exposures and incidents are completed in an, accurate and timely manner;
- Align with Council's performance measurement programs; and
- Support change management by increasing the transparency of risks.

1.3 Scope

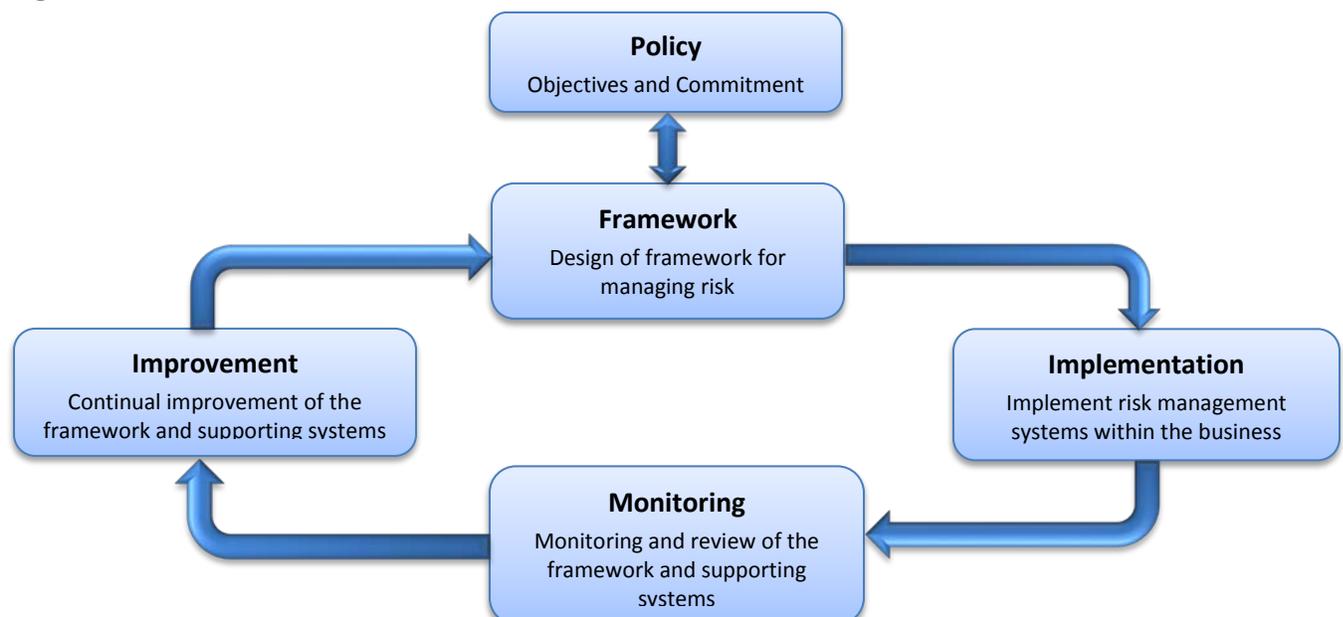
A risk event can result from an occurrence or change of a particular set of circumstances. The effect is a deviation from the expected outcome and can be positive and/or negative.

Risk sources within the context of Council's operation include:

- ;
- Work Health & Safety;
- Business and Asset Management;
- Legal compliance;
- Financial/fraud;
- Information Technology;
- Strategic/Governance;
- Human Resources; and
- Business Continuity.

This Framework is applicable to Council in all its operations and functions including activities carried out under its direction, to the public infrastructure it controls and to those situations where employees and contractors are required to work on Council projects.

Figure 1 – Interrelated risk elements





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SECTION 2 – BUSINESS SYSTEMS

2.0 Business Systems

The Risk Management Framework is one component of business systems within Council. The Framework aims to build resilience in the planning of service delivery for the Kentish municipal area by highlighting the strengths of current operating practices whilst identifying areas for improvement. The Framework supports the existing programs and initiatives of Council to manage its risk and to ensure delivery of its strategic and operational objectives.

2.1 Decision Making

The following Risk Management principles shall be a consideration in all Council decision making processes:

- Creates value;
- Integral part of organisational processes;
- Explicitly addresses uncertainty;
- Systematic, structured and timely;
- Based on the best available information;
- Tailored;
- Takes human and cultural factors into account;
- Transparent and inclusive;
- Dynamic, and responsive to change;
- Continual improvement and enhancement of the organisation; and
- Financial implications short and long term.

2.2 Continuous Improvement

Council is committed to continuous improvement and the pursuit of excellence in service delivery and business processes. The Framework complements the methodology of continuous improvement by consideration of:

- Consultation and communication;
- Cost/quality;
- Effective resource use;
- Financial sustainability; and
- Accountability.

2.3 Business Continuity, Emergency Management and Disaster Recovery

Risk management supports Council's Business Continuity Plan, Emergency Management Plan and Recovery Management Plan by identifying issues and events that may pose a threat to the continuation of business and impact on the community.



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2.4 Asset Management

The Risk Management Framework operates to enhance the asset management system of Council by ensuring that effective processes are in place to manage asset risks.

2.5 Event Planning

Effective risk management processes are crucial to efficient planning and delivery of events that ensure public safety and event success.

2.6 Project Management

Risk management is an integral part of project management. It is imperative that risks are identified at the project development stage so that designs and processes can be adjusted to minimise or eliminate exposure to risk.

2.7 Health & Safety Management

Risk management is effective in assisting with the integration of principles, practices and criteria for implementing best practice health and safety management.

2.8 Fleet Management

The Risk Management Framework assists Council in ensuring effective processes are in place to manage the risks associated with fleet management.

2.9 Organisational Risk Management

The Risk Management Framework will assist the Council in embedding sound risk management practices into the decision making processes of the organisation and the creation of a safer community environment, by ensuring policies and procedures reflect risk mitigation relating to public liability matters.

2.10 Fraud

Council has a zero tolerance in relation to fraud and corruption. Fraud can erode confidence in the Council, deprive the public of resources, reduce the effectiveness of Council assets and equipment, harm customers, employees or the public and damage staff morale. By utilising the tools within the Risk Management Framework, Council can assess and measure its vulnerability to fraud and implement robust controls for its prevention.

2.11 Service Levels

Council is responsible for the operation and management of its assets including road pavement, kerb and channeling, street furniture, public recreational and open space, buildings, and waste management services.

The service levels set out the manner in which Council will meet its various obligations and identify benchmark levels of service to be provided.



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2.12 Community Engagement

Council recognises that community engagement and participation processes are a vital part of democracy. Effective engagement is good business practice and is critical in managing reputational risk.

2.13 Audit Panel

While development and implementation of a robust and integrated internal control and risk management framework is the Council's responsibility, the Audit Panel has a key role in overseeing and monitoring internal control and risk management programs.

The functions of Council's Audit Panel as set out in its Charter include:

'To consider whether...the accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls that the council has in relation to safeguarding its long-term financial position are appropriate

2.14 Procurement

Risk assessments are conducted prior to the procurement of all major contracts, including plant and equipment, to ensure the relevant parties are consulted, any plant and equipment acquired is suitable for its intended purpose and will meet the needs to Council now and into the future.



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SECTION 3 – PLANNING and RESOURCING

3.1 Resource Challenges

The Risk Management Framework acknowledges that there are and always will be limitations and challenges for Council to resource and deal with risks which arise.

However, identification of risks should not be limited by the possibility that there may be insufficient funds to immediately improve how Council currently manages its risks.

This Framework approaches the understanding and identification of risks faced by Council in the broadest context. The approach to be used is to identify risks without considering possible cost of treatment but how to manage those risks with a view to maximising existing resources.

This approach is based on the philosophy that it is better to be aware of risks (even knowing that only the most critical can be dealt with after an application of a prioritisation process), than to be caught unaware when a risk event occurs, suffer a loss or failure, and potentially be held accountable.

3.2 Links to Council Planning and Budget Cycles

The Framework raises issues ranging from the highest strategic level e.g. Councils formal decision making through to the detailed issues of delivery of services to the community and the care of community assets.

The Risk Management process identifies issues to consider as part of the Council strategic planning and budget processes.

3.3 Budget Planning and Prioritisation

The Risk Management Framework provides an effective and transparent prioritisation tool for decision making when long term and annual financial resource allocations are being considered.

This process contributes to the quality of the longer term financial plans of Council (including the capital works and asset management programs) and assists in effective decision making in strategic planning which in part needs to recognise the future implications of today's decisions.

Safety and risk mitigation projects are identified, as part of Council's capital expenditure program, to address high potential liability issues and reduce Council's exposure to risk.

Through the use of a common framework to assess priorities; sound, transparent and defensible financial decisions and recommendations are possible.



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3.4 Risk Assessments

Risk assessments will be conducted in accordance with Council's risk assessment methodology. Risk data will be stored in the relevant Risk Register.

3.5 Hazards and Incidents

Hazard and incident reporting highlights hazards and incidents and allows this information to be integrated into the Risk Register. These risks are then considered in the same way as any other risk would be.



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SECTION 4 – REPORTING

4.1 Key Performance Indicators (KPI)

The following measures have been developed to aid in tracking implementation and effectiveness of the Risk Management Framework.

- Risks recorded in risk register (number of);
- Staff exposed to risk awareness training (% of staff);
- Risks identified (number of) versus risks assessed (number of);
- Risks assess (number of) versus risks treated (number of);
- Actions identified (number of) versus actions implemented (number of);
- Strategic risks (number of) versus operational risks (number of);
- Targeted risk appraisals (number of);
- Potential claims; and
- Outstanding substantial claims.

4.2 Reporting Mechanisms

To ensure transparency of risk management information across Council, a series of reports will be produced throughout the year:

Report	Frequency	Prepared by	Audience
Claims summary Significant claims update	Quarterly	Risk Management & Work Health Safety Officer	Management Team
KPI Report	Quarterly?	Risk Management & Work Health Safety Officer	Council, Audit Panel, Management Team
Risk Register review	Annually	Risk Management & Work Health Safety Officer	All relevant staff Safety Committee
Detailed claims report CMP Audit Report Update Relevant Business Risks	Quarterly	Risk Management & Work Health Safety Officer	Management Team Audit Panel
Unscheduled reports:			
<ul style="list-style-type: none"> ▪ Hazards and Incidents: report of any risk events including remedial action. 	As required	Risk Management & Work Health Safety Officer	Safety Committee
<ul style="list-style-type: none"> ▪ New and emerging risks/issues 	As required	Risk Management & Work Health Safety Officer	Management Safety Committee



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SECTION 5 – RESPONSIBILITY

5.1 Roles and Responsibilities

Risk management responsibilities are incorporated into Council's Position Descriptions and success measures developed for all staff to form the basis of both formal and informal performance management discussions. The following table outlines the general responsibilities of various stakeholders:

Stakeholder	Roles and Responsibilities
Councillors	<p>Councillors will:</p> <ul style="list-style-type: none">▪ Be aware of Council's Risk Management Framework, specifically through reports from the Audit Panel.▪ Consider all risk implications when making decision.▪ Make funding and resources available to adequately manage risks identified in the Corporate Risk Register.
General Manager	<p>The General Manager is required to take all reasonable steps to:</p> <ul style="list-style-type: none">▪ Provide a safe and health work environment, in accordance with the Work Health and Safety Act 2012, its amendments, Regulations, related codes of practice and Australian Standards.▪ Understand the principles of Risk Management.▪ Ensure that Council meets its 'duty care' to all staff and the general public and protects its assets through education, appropriate risk financing and adequate loss control programs and measures.▪ Monitor and evaluate the performance of Managers against their Risk Management responsibilities.▪ Promote risk management as a vital business principle.▪ Ensure that Council is provided with adequate risk information to make informed decisions.
Managers	<p>Managers are required to take all reasonable steps to:</p> <ul style="list-style-type: none">▪ Provide a safe and health work environment, in accordance with the Work Health and Safety Act 2012, its amendments, Regulations, related codes of practice and Australian Standards.▪ Understand the principles of Risk Management.▪ Monitor and evaluate the performance of staff against their risk management responsibilities.▪ Contribute to the analysis of all potential and actual high loss incidents within their area.▪ Develop and implement risk actions plans.▪ Keep staff appropriately informed of all changes relating



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	<p>to registered risks.</p> <ul style="list-style-type: none"> ▪ Advise of any issues that should be incorporated into the forthcoming budget. ▪ Promote risk management as a vital business principle.
<p>Corporate Services and Finance Manager / Risk Management and Work Health Safety Officer</p>	<ul style="list-style-type: none"> ▪ Provide advice and assistance to all Council staff in relation to the development and implementation of an effective risk management system that observes the principles of AS/NZS ISO 31000 Risk Management Principles. ▪ Monitor the effectiveness of the overall risk management system. ▪ Oversee and provide input into the development and maintenance of a risk management system integrated with other systems to provide timely, accurate and relevant information of losses, claims, premiums and other risk related information. ▪ Ensure that all documentation maintained and generated within the risk management process complies with Council's record management requirements. ▪ Make available relevant and the wide range of information on risk management issues affecting Council. ▪ Review insurance held by users of Council facilities. ▪ Oversee the development of a risk management training program. ▪ Develop a report on Council's achievements over the previous year, for inclusion in Council's Annual Report. ▪ Assist in the effective operation of the Safety Management System. ▪ Ensure that adequate fire protection and security arrangements are in place to protect Council's assets. ▪ Monitor incident reporting and recording procedures. ▪ Ensure that all major incidents are fully investigated and the appropriate corrective action has been taken. ▪ Consult with the Safety Committee and Health Safety Representatives where appropriate to resolve health and safety issues and compliance with Risk Management principles. ▪ Provide regular reports to management.
<p>All employees</p>	<ul style="list-style-type: none"> ▪ Assist in the provision of a safe and healthy work environment and comply with the <i>Work Health & Safety Act 2012</i>, its amendments, Regulations, related Codes of Practice and Australian Standards. Ensure that risk management factors are fully considered when changing or setting up new work sites, work programs or undertaking new projects. ▪ Ensure all incidents reported are fully investigated and the appropriate corrective action has been taken.



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	<ul style="list-style-type: none">▪ Managers to review with Coordinators and workers all aspects of the risk management program on a regular basis, including workplace inspections and risk management audits.▪ Consult with the Health and Safety Committee and Health and Safety representatives where appropriate to resolve risk management issues.▪ Ensure ongoing instruction and consultation with workers in the proper use of plant, equipment and materials and enforce safety rules and practices that apply to employees" work.▪ Ensure reporting and investigation of all incidents, incidents, injuries or near misses within the work area under their control.▪ Carry out audits of activities under their control.▪ Report any risk identified associated with Council asset, work sites or work systems.▪ Ensure that risk management factors are fully considered when changing or setting up work sites, work programs or undertaking any contractual tasks▪ Ensure all incidents are reported▪ All contractors must be inducted before entering site
Safety Committee	<ul style="list-style-type: none">▪ Reviewing and analysing claims and reported incidents.▪ Progress improvements and recommendations of MAV/LMI service programs.▪ Review policies, procedures and risk registers.▪ Conduct inspections and risk assessments.▪ Discuss and implement risk management action plans.



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SECTION 6 – COMMUNICATION PLAN

6.1 Objectives

Communication is the key to keeping employees informed and engaged with the implementation of the Framework.

Effective communication mechanisms will support the following objectives:

- To keep staff and stakeholders informed and engaged with the Risk Management program development;
- Development of a common language around risk management;
- Promote learning e.g. examples of success will highlight the different applications of risk management;
- Development of a risk aware culture; and
- Demonstrate leadership in implementing the Framework.

6.2 Communication Methods

The following communication mechanisms may be utilised, amongst others:

- Outline of the Framework and risk awareness training provided to employees;
- Provide additional training to Departments upon request or where a need is identified;
- Progress reports to Management and Safety Committee;
- Regular updates included in staff newsletter; and
- Outline the Framework to all new employees during induction processes.



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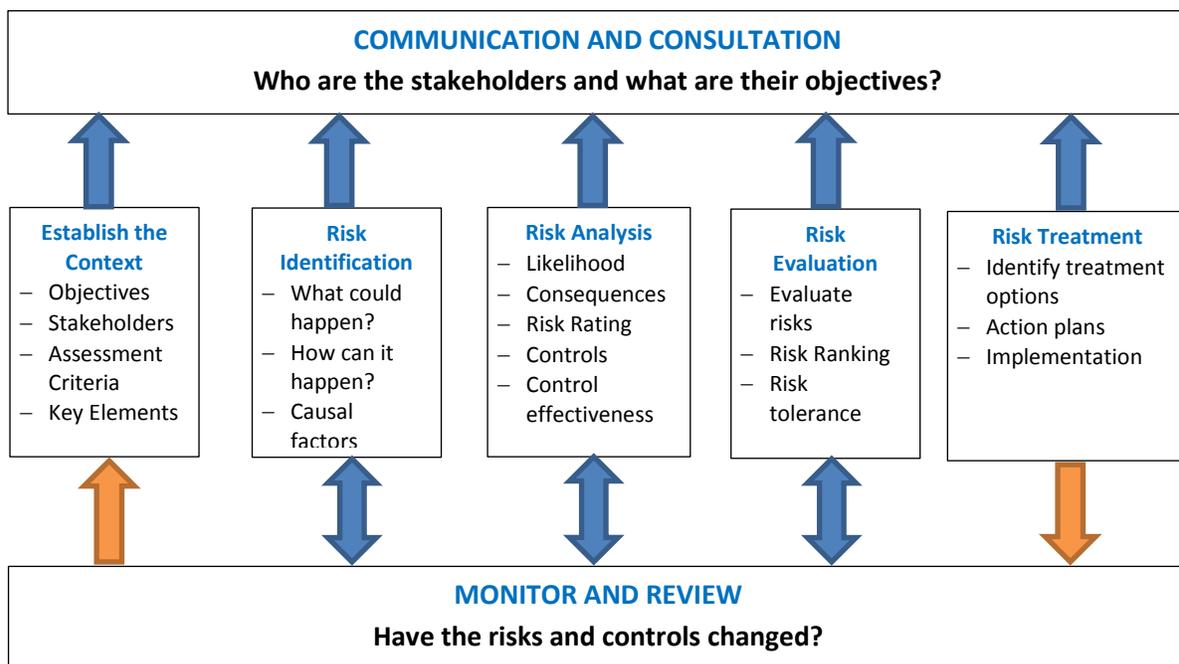
SECTION 7 – RISK MANAGEMENT PROCESS

7.1 Overview

The risk management process should be:

- An integral part of management;
- Embedded in culture and practice; and
- Tailored to the business processes.

The risk management process adopted as part of this Framework is consistent with the Australian Standard as depicted below:



7.2 Communication and Consultation

Contact/involvement – has everyone who needs to know been contacted, involved, informed and kept up to date?

Information Flow/Dialogue with Stakeholders – there should always be dialogue with stakeholders with a focus on consultation.

Feedback – success will be achieved if feedback is given by all involved in the process.



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7.3 Risk Management Context

When identifying, assess and managing risks the following external factors should be considered:

- Community impact;
- Environmental implications;
- Political implications (State/Federal);
- Health, Safety and Well Being;
- Economic Impact;
- Media;
- Legal and Regulatory requirements; and
- External stakeholders/key third party service providers.

The following internal factors need to be considered:

- Council's Strategic Plan;
- Long Term Financial Plan;
- Capital and Operational Budgets;
- Annual Plan;
- Departmental Plans;
- Council/Elected Members;
- Health, Safety and Well Being;
- Key Performance Indicators – organisation and individuals;
- Business Continuity and Emergency Management Planning;
- Governance; and
- Business efficiency and productivity.

7.4 Risk Identification

The aim of risk identification is to develop a comprehensive list of the events that may create, enhance, prevent, degrade, accelerate or delay the achievement of objectives. This includes identifying the risks associated with not pursuing an opportunity.

To assist in risk identification, ask the following questions:

- What can happen?
- How can it happen?
- Have we considered the casual factors?

In identifying risks, we need to consider a broad range of risk sources within the context of Council's strategies and operations. These risk sources were outlined in Section 1.3 of this Framework.

Forums for identifying operational include but are not limited to:



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Risk Identification Workshops

The purpose of these workshops is to brainstorm risks with relevant employees from each work area. Risk Management & Work Health Safety Officer in conjunction with Managers are accountable for reviewing their area's risk register formally on an annual basis, as part of the business planning process, in consultation with relevant employees.

Risk Assessment Discussions

The purpose of these discussions is to assess the likelihood and consequence of the risks identified with relevant employees from each work area. As a result of these workshops risk rating details are captured and documented using Council's risk assessment procedure and tools. Risk Management & Work Health Safety Officer in conjunction with Managers are accountable for reviewing their area's risk register formally on an annual basis, as part of the business planning process, in consultation with relevant employees.

Strategic Projects/Change Management

A risk assessment is to be undertaken as part of any project. Managers and relevant employees are responsible for identifying and assessing any risks emerging as a result of change, improvements or projects. These risks are to be included on the project plan which is reviewed and maintained through the life of the project, change or improvement process.

Review of Audit

When an audit is conducted and the report received, a review of the audit findings is to be conducted. Actions arising from the audit must be addressed.

Strategic and Annual Planning Process

Departments are required to review their risks in the Corporate Risk Register as part of their annual planning and budgeting process. This enables the risk profile and risk control activity to be considered as part of formulating future plans, improvements, business cases and budgets.

Incident/Hazard Reporting

Incidents and hazards are to be reported using the Incident and Hazard Reporting Process. This information and subsequent analysis may result in the identification of systematic or operational risks. These will be communicated back to relevant stakeholders to be appropriately managed in line with the risk management process.

7.5 Risk Analysis

Risk analysis involved consideration of the sources of risk, their positive and negative consequences and the likelihood that those consequences may occur. Each category of the consequence scale is based on the types of risks that may potentially impact Council's operations.



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Existing controls and their effectiveness and efficiency should also be taken into account. For each identified risk ask "Is there anything currently in place that would effectively lessen the likelihood or impact of the risk?" If there are controls in place, then ask "Are the controls effective? Can the risk be shared or transferred?" The risk can then be reevaluated.

A risk rating is determined by combining the likelihood and the consequence ratings.

Risk analysis is about developing an understanding of the risk. It is this analysis which provides input into the decision on whether the risk needs to be controlled and the most appropriate and cost-effective manner of treatment.

The method of analysing risks is undertaken in two parts:

- Determine the likelihood of the risk occurring;
- Determine the consequence of the risk (most likely outcome);and
- The final risk score (overall risk rating) is calculated as the product of the likelihood and consequence scores.

Table 1 – Likelihood Scale

Likelihood	Description of Likelihood
Rare	The event may occur in exceptional circumstances, no record of previous occurrence.
Unlikely	The event could occur at some time, has rarely happened in the past.
Possible	The event will probably occur at some time, has happened occasionally in the past.
Likely	The event will occur in most circumstances, has occurred at regular intervals in the past.
Almost Certain	The event is expected to occur in all circumstances.



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Table 2 – Consequence (outcome)

Description	Financial	People	Reputation	Environmental	Service Delivery
Insignificant	Negligible financial loss <\$10k. No real disruption to business.	No injury, no impact on morale.	No media or political attention. Some local complaints.	Minor instance of environmental damage. Can be reversed immediately.	Interruption to a service, no impact to customer or business.
Minor	Minor financial loss (\$10k-\$50k). Minor financial disruption. Minor variation to budget for financial year.	First aid attention, negligible impact on morale.	Some local media or political attention. Community concern with little adverse effect.	Minor impact to environment, can be reversed in the short term.	Minor interruption to a service with minimal impact to customers or business.
Moderate	Moderate financial loss (\$50k - \$200k). Moderate impact to business operations. May impact beyond current financial period.	Injury requiring medical treatment. Short term effect on morale and business.	Significant media attention and public interest. Potential for adverse local media attention.	Moderate impact to environment. Localised damage that has potential to spread but able to be reversed with intensive efforts.	Moderate interruption to service delivery. Customer impact up to 48 hours.
Major	Major financial loss (\$200k - \$500k). Major impact on business operations. Multiple financial year/s impact.	Serious long term injury. Temporary disablement. Significant impact on morale and business.	Regional or statewide media attention. Public interest. Long term effect on reputation.	Severe loss of environmental amenity, danger of continuing environmental damage.	Major interruption to delivery. Customer impact 7-14 days. Full or partial BCP implementation required.
Catastrophic	Significant financial loss (>\$500k). Loss of business operation. Multiple financial year impact.	Major injury, disablement or death. Long term effect on morale and performance of business.	Potential national media attention. Prolonged media or political attention. Irreparable damage to reputation.	Major loss of environmental amenity, irrecoverable environmental damage.	Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.



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Table 3 - Risk Analysis Matrix

		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	M	S	S	H	H
	Likely	M	M	S	S	H
	Possible	L	M	M	S	S
	Unlikely	L	L	M	M	S
	Rare	L	L	L	M	M

7.6 Risk Evaluation

Risk evaluation is done to assist in decision making – the legend below identifies the actions necessary for different risk ratings.

The purpose of risk evaluation is to determine, based on the outcomes of risk analysis, which risks need treatment and priorities. The risk evaluation can also lead to a decision not to treat the risk in any way other than monitoring existing controls.

RISK LEVEL	MANAGING RISK
High	<ul style="list-style-type: none"> Add to risk register. Escalate issue immediately to relevant Manager/Team Leader/RM & WHS Officer. Identify and develop treatment strategies with immediate action to be initiated. Monitor and review actions/strategies.
Significant	<ul style="list-style-type: none"> Add to risk register. Escalate issue immediately to relevant Manager/Team Leader/RM & WHS Officer. Identify and develop treatment strategies with appropriate timeframes. Monitor and review actions/strategies to manage risk to an acceptable level.
Moderate	<ul style="list-style-type: none"> Add to risk register. Identify and develop treatment strategies with appropriate timeframes. Monitor and review actions/strategies to manage risk to an acceptable level.
Low	<ul style="list-style-type: none"> Monitor and review. Undertake risk management actions (if required).



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7.7 Risk Treatment

Risk treatment involves identifying the range of options for treating risks, assessing these options and the preparation and implementation of treatment plans. By treating the risk the aim is to either:

- Elimination of the risk – repair damage, remove risk or alternate methodology;
- Avoid the risk – by deciding not to continue with the activity;
- Taking the risk – in order to pursue an opportunity or lesser risk alternative;
- Sharing the risk – to minimise likelihood and consequence;
- Isolate the risk – relocate the risk, tag out, lock out, install barriers;
- Engineering – improve the process to remove the risk;
- Administrative – rotate jobs, adequate training, maintenance;
- Personal Protective Equipment (PPE) – use hearing, eye, head, hand, face protection and train staff in its correct use; or
- Accept the risk by informed decision making process – retain the risk.

In order to select the most appropriate treatment action it is necessary to balance the cost of implementing each option against the benefits derived from it. It is also necessary for consideration to be given to all direct and indirect costs and benefits financial or otherwise.

7.8 Monitor and Review

On-going review of the Risk Management Framework and its effectiveness is essential to ensure that risks are identified and registered in the Corporate Risk Register, are regularly assessed, including associated treatment options and that they remain relevant. Factors that affect the likelihood and consequence may change, as may the factors that affect the suitability or cost of the treatment options.

The required actions as outlined in the Risk Evaluation section above outline the monitoring and review actions which are undertaken as part of this Framework;

- This Risk Management Framework is reviewed every two (2) years.
- Regular reporting to the Audit Panel should include status of risks in the Corporate Risk Register, insurance claims and details of relevant audit results.

Any review of the Risk Management Framework will consider the following:

- Are the risk management objectives aligned with Council's strategic intent?
- Do the risk management initiatives reflect the realities of the current environment in which Council is operating?
- Are the outcomes of risk management able to be effectively measured?
- Do the risk management initiatives generate value for Council?



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- Does the information provided allow decisions to be made about whether to expand or contract resources and what effort is required in managing risk exposure?
- Is information provided in a clear and concise manner?

Furthermore, an assessment of the effectiveness of the risk management program at Council will be undertaken following implementation of the Framework to ensure that it meets the objectives. This assessment will be undertaken through:

- Survey of stakeholders;
- Implementation and monitoring of key risk indicators;
- Formal assessment of incident and loss data against key risk indicators; and
- Internal audit of the program.