Flinders Shire Council

ENTERPRISE RISK MANAGEMENT FRAMEWORK AND GUIDELINES

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Discovery • Opportunity • Lifestyle

Contents

1. INTRODUCTION

Council's Risk Management Framework is an enterprise-wide commitment to a consistent approach to managing risk. The management of risk is not the responsibility of a particular directorate, department or team within Council, but a shared responsibility throughout the organisation. The acceptance of risk ownership is required by each staff member at every level. Council wishes to foster and promote a 'risk aware' but not 'risk averse' culture throughout the organisation. The purpose of the Risk Management Framework is to assist individuals in considering risks and opportunities in a consistent manner.

2. OBJECTIVE

The objective of this document is to provide an effective framework which:

- Provides consistent terminology to aid, promote and improve understanding of risk management at Council;
- Reduces the likelihood of negative 'surprises' and assists with preparing for challenging and undesirable events and outcomes;
- Contributes to improved prioritisation and resource allocation by targeting resources to the highest-rated risks and risks, which if treated, provide the organisation with best value; and,
- Improves accountability, responsibility, transparency and governance in relation to decision-making and strategic planning.

3. SCOPE

This document applies to all Councillors, employees, contractors and official representatives of Flinders Shire Council.

4. DEFINITIONS

The following definitions apply to this document:

Consequence	The outcome of an event affecting objectives
Control	A measure that maintains and/or modifies a risk
Council	Flinders Shire Council
Event	An occurrence or change of a particular set of circumstances
Inherent Risk	The amount of risk that exists in the absence of controls
Likelihood	Chance of something happening.
Project Manager	The person, group or entity responsible for the planning and execution or implementation of a project
Project Sponsor	The person, group or entity responsible for the overall success of a project
Residual Risk	The amount of risk remaining after controls are implemented
Risk	The effect of uncertainty on objectives (note: an effect is a deviation from the expected and can be positive and/or negative).
Risk Appetite	Risk appetite is the amount and type of risk that Council is willing to pursue or retain
Risk Assessment	Overall process of risk identification, risk analysis and risk evaluation
Risk Management	Coordinated activities to direct and control an organisation regarding risk.
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improvement risks management throughout the organisation.
Risk Owner	Person or entity with the accountability and authority to manage a risk.
Risk Source	An element which alone or in combination has the potential to give rise to risk
Risk Tolerance	Council's risk tolerance is the amount of risk it is willing to bear after risk treatment in order to achieve its objectives
Risk Treatment	The process of selecting and implementing measures to modify risk
Treatment Owner	Person or entity with the accountability and authority to manage treatment of a risk.

5. RISK MANAGEMENT PROCESS

Council will utilise the risk management process outlined in the International Risk Management Guidelines ISO 31000:2018 to manage risks.

This is a structured and proactive approach that can be applied organisation-wide to support management of risk and involves the systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.

The process is illustrated in the following diagram:
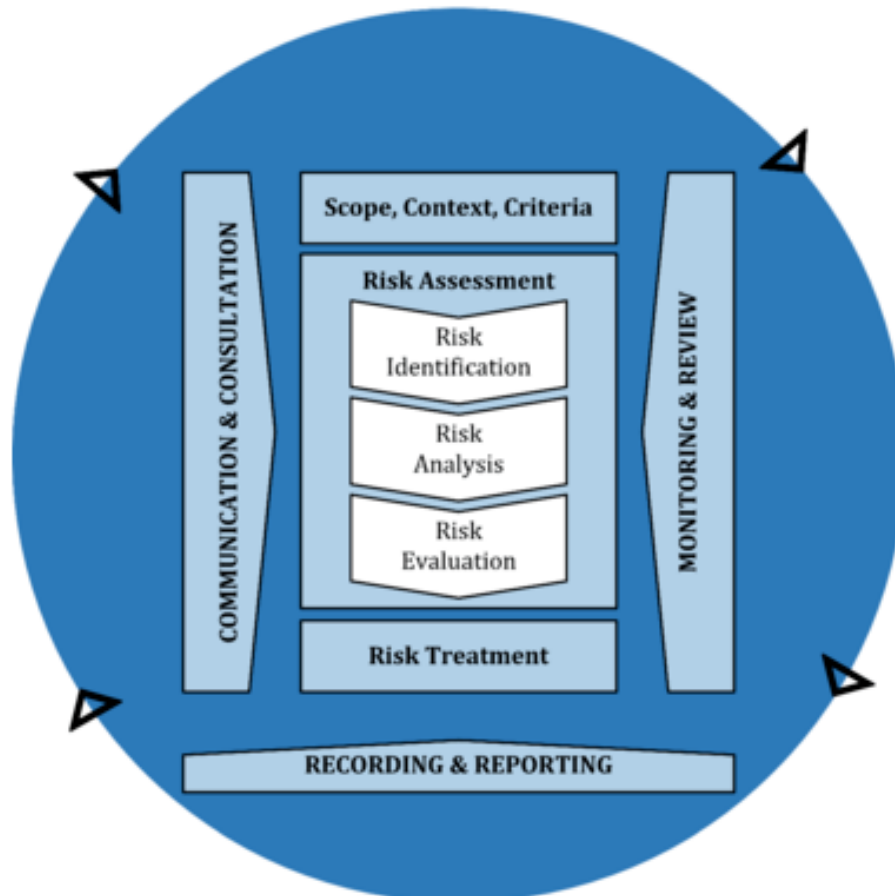
Although the risk management process is often presented as sequential, in practice it is iterative.

5.1 Communication and Consultation
Communication and consultation with appropriate external and internal stakeholders is to take place within and throughout all steps of the risk management process. Communication and consultation aims to:

- bring different areas of expertise together for each step of the risk management process;
- ensure that different views are appropriately considered when defining risk criteria and when evaluating risks;
- provide sufficient information to facilitate risk oversight and decision-making; and
- build a sense of inclusiveness and ownership among those affected by risk.

5.2 Scope, Context and Criteria
Council has established the following scope, context and criteria for its risk management process to enable effective risk assessment and appropriate risk treatment.

5.2.1 Council's Risk Scope

To ensure that Council is accountable, effective, efficient and sustainable, and acts in alignment with the local government principles enshrined in the Queensland Local Government Act 2009, the risk management process will be applied at three different levels, as outlined below:

Level	Scope	Objective	Accountable	Support
Strategic Risks	Risks which may impact on Council's ability to deliver and implement the strategic direction of the local government, as outlined in its Corporate Plan, and/or affect the long-term interests of the organisation and community it serves.	To ensure that Council achieves its Corporate Plan for the Flinders Shire community.	Council	Chief Executive Officer
Operational Risks	Risks which may impact on the viability of the Council's administration in safely and sustainably delivering services. These risks relate to the effective and efficient use of Council's resources and, if not adequately managed, may impact upon the day-to-day operations of the Council.	To ensure that Council keeps a written record of the risks its operations are exposed to, and the control measures adopted to manage those risks, such that Council is able to: • Sustain and enhance operational performance; • Increase positive outcomes whilst reducing negative surprises; • Reduce performance variability; • Improve resource deployment based on an understanding of overall resource needs, priorities and existing allocations; and, • Enhance enterprise resilience, particularly as the pace of change accelerates and the complexity of the operational environment increases.	Chief Executive Officer	Executive Management Team
Project Risks	Risks associated with individual projects at Council, which can be assessed in the project planning phase and throughout the duration of the projects implementation.	To ensure that strengths, weaknesses, opportunities and threats to Council projects are identified and effectively managed, such that Council will successfully deliver on project goals and objectives.	Chief Executive Officer	Project Managers

5.2.2 Council's Context

The external and internal context is the environment in which the organization seeks to define and achieve its objectives. Council's risk management process has been established in accordance with its understanding of the environment in which it operates and is reflective of the activities to which the risk management process is to be applied.

External Context

Council's external context includes, but is not limited to:

• the social, cultural, political, legal, regulatory, financial, technological, economic and environmental factors, whether international, national, regional or local;
• key drivers and trends affecting the objectives of the organization;
• external stakeholders' relationships, perceptions, values, needs and expectations; and
• contractual relationships and commitments with 3rd parties outside of the organisation.

Internal Context

Council's internal context includes, but is not limited to:

- Council's Corporate Plan;
- Council's Operational Plan;
- Any additional plans or strategies adopted by Council;
- Council's vision, mission and organisational values;
- Council's organisational structure;
- Council policies, procedures and guidelines (or equivalent);
- Relationships with internal stakeholders; and
- Council's capabilities, in terms of resources and knowledge (e.g. people, systems, processes and capital).

5.2.3 Council's Risk Criteria

Council's risk criteria has been established to ensure consistent evaluation of risk as much is reasonably possible. The criteria reflects the organisation's values, objectives and resources, as well as its obligations as a local government and views of its stakeholders, and has been established to support Council in its actions and decision-makings.

Risk Appetite and Tolerance

Risk appetite is the amount and type of risk that Council is willing to pursue or retain. This varies depending on the context and circumstances of the risks, including the nature of the risk itself.

As a local government, Council has a natural and in some cases statutory predisposition to a conservative appetite for risk. However, as Council provides a large and diverse range of services, Council must also accept some amount of risk in order to provide these services and as such has some appetite for risk in relation to those functions.

Council's risk tolerance is the amount of risk it is generally willing to bear after risk treatment in order to achieve its objectives and assists with the practical application of its risk appetite.

As a guide for decision-making, Council has aligned its risk appetite statements and tolerances to categories of risk that group the types of risk Council is or may be exposed to, which are outlined in the following table:

Risk Category	Description	Risk Appetite	Risk Tolerance
Financial	Includes matters which may impact on Council's long-term financial sustainability, annual budget, investment opportunities, or other financial activities.	Council has little or no appetite for risks which may have a significant negative impact on Council's long-term financial sustainability. However, Council has some appetite for risks which may reduce costs and/or generate additional sources of income.	**Low**
Economic	Includes matters which may impact on the economy of the Local Government Area Council represents and serves.	Council has little or no appetite for risks which may have a significant negative impact on the local government area's economy.	**Medium**
Technology	Includes matters which may impact on the architecture and design, integration and dependency on technology at Council.	Council has little or no appetite for risks which may result in system failures or information and data security breaches. Council has some appetite for risks which may result in efficiencies in service delivery through innovation in technology.	**Low**
People	Includes matters which may impact on Council's organisational culture and management of and relationship with its employees, contractors and volunteers.	Council has little or no appetite for risks which may significantly impact on the Council's ability to recruit and retain staff.	**Low**
Legal and Compliance	Includes matters which may impact on Council's capacity for and ability to comply with relevant legislation.	Council has little or no appetite for risks which may result in major breaches of legislative requirements and/or successful litigation against the Council.	**Low**
Environmental	Includes matters which may impact on the natural or built environment of the Local Government Area and Council's capacity for and ability to manage events which may have an adverse effect on the environment.	Council has little or no appetite for risks which may cause significant and irreparable damage to the environment.	**Medium**
Workplace and Public Safety	Includes matters which may impact on Council's capacity for and ability to reasonably preserve, protect and enhance the physical and mental health and wellbeing of its employees, contractor, volunteers and the community.	Council has little or no appetite for risks which may compromise or be detrimental to the physical or mental health, safety and wellbeing of staff, contractors and/or members of the community.	**Low**
Service Delivery	Includes matters which may impact on Council's capacity for and ability to deliver services to the community.	Council has little or no appetite for risks which may result in major disruption to the delivery of key Council services. However, Council has some appetite for risks which may result in improved levels of service to the community.	**Low**
Political	Includes matters which may impact on Council's political capital and relationships with other Local Governments, State Government and the Commonwealth.	Council has little or no appetite for risks which may compromise or detract from its relationships with other elected officials at all levels of government.	**Low**
Asset	Includes matters which may impact on Council's property and infrastructure and the organisations capacity for and ability to adequately manage and source its assets.	Council has little or no appetite for risks which may significantly damage or put its assets in harm's way.	**Medium**
Reputation	Includes matters which may impact on Council's relationship and image with the community and broader population of the State or nation.	Council has little or no appetite for risks which may result in widespread and sustained damage to the Council's reputation.	**Low**

5.3 Risk Assessment

Risk assessment is the overall process of risk identification, analysis and evaluation. Risk assessments will be conducted systematically, iteratively and collaboratively, drawing on the knowledge and views of relevant stakeholders.

5.3.1 Risk Identification

The aim of this step is to generate a comprehensive list of risks based on events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives, and to determine what category the risk pertains to. Therefore, this step requires the application of a well-structured systematic process, and helps to identify what, why and how adverse things can arise as the basis for future analysis. This may include identification of the sources of risk, areas of impacts, events (including changes in circumstances) and their causes and potential consequences.

5.3.2 Risk Analysis

Risk analysis involves consideration of the causes and sources of risk, their potential consequences, and the likelihood of those consequences occurring. Consequence and likelihood are combined to produce a risk rating.

Consideration of Current Controls

For each risk identified, consider what existing measures are in place which maintain and/or modify the risk i.e. what controls are in place?

The following table provides examples of controls:

Type of Control	Definition	Examples
Preventive	Preventive internal controls are put in place to prevent an adverse event from occurring.	• Delegations of authority • Pre-employment screening • Procurement checks for new suppliers
Detective	Detective internal controls detect an error or problem after it has occurred. Ideally, detective internal controls will discover an issue before it becomes significant.	• Reconciliation and financial reporting • IT exception reporting on security issues
Corrective	Corrective internal controls are implemented after the internal detective controls discover a problem.	• IT software patches • Introduction of new policies and procedures

Determining the Effectiveness of Current Controls
Determine the effectiveness, and/or existence of, controls in place to address the identified risks.

The following table assists in rating control effectiveness:

Level of Control	Definition	Action Required
Good	A high degree of reliance can be placed on the system of internal control. Compensating controls are in place such that even if part of the system breaks down, the control criteria will probably still be met.	Continue monitoring controls for effectiveness.
Satisfactory	The controls can be relied upon; however, some improvements to controls can be made to reduce the risk.	Continue monitoring controls for effectiveness.
Marginal	The system can generally be relied upon in most circumstances but there are some circumstances where the control criteria may not be met.	Develop a Risk Treatment Plan (RTP) to review controls and reduce risk. Consider escalation of risk.
Weak	The system of internal control cannot be relied upon to meet the control criteria. If there has not already been a significant breakdown, it is only a matter of time before this occurs.	Immediately develop a Risk Treatment Plan (RTP) to review controls and reduce risk. Consider escalation of risk as a matter of priority.

Gauging the Likelihood of a Risk Eventuating
The likelihood table below provides guidance on assessing the likelihood of risk occurring:

Likelihood Level	Event Frequency (The risk has occurred, or it is probable that it will occur…)	Description
Almost Certain	More than 1 event per month	Is expected to occur at most times
Likely	More than 1 event per year	Will probably occur at most time
Possible	Once every 1 to 10 years	Might occur at some time
Unlikely	Once every 10 to 100 years	Could occur at some time
Rare	Less than once every 100 years	May occur in rare circumstances

Gauging the Consequence of a Risk Eventuating

The following table provides guidance on consequences for assessing various risks to achieve consistency in risk reporting. It is important that there is a standard across risk owners when reporting.

	Consequence Level				
	Insignificant	**Minor**	**Moderate**	**Major**	**Catastrophic**
Financial	Negligible financial loss; less than $5,000.	Minor financial loss; $5,001 - $25,000.	Significant financial loss; $25,001 - $200,000.	Major financial loss; $200,001 - $1m.	Extensive financial loss; in excess of $1m.
Economic	None to minimal impact or inconvenience to single businesses within the Local government area.	Inconvenience to a group of businesses within one sector or locally within the Local government area.	Group of businesses in one sector or locally within the Local government area potentially impacted.	A minor industry or whole sector of the Local government area economy potentially impacted.	One or more major industries (e.g Tourism, Agriculture, Education, Construction, Manufacturing, Retail, and Fishing) within the Local government area potentially impacted.
Technology	Negligible loss or damage to IT hardware and communications. No permanent loss of data.	Minor loss/damage to IT and communications. Some data catch-up may be required.	Moderate loss of IT. Some data may be permanently lost. Workarounds may be required.	Exposed to loss/corruption of data. Significant catch-up required.	Extensive loss of or damage to IT assets and infrastructure. Permanent loss of data. Widespread disruption to the business.
People	Minimal HR issues easily remedied. Council is an employer of choice. High level of staff productivity despite risk.	Some HR issues within organisation, staff turnover considered appropriate. Employer of choice. Appropriate level of productivity remains despite identified risk.	Elements of poor HR culture, above average staff turnover and reduced long term productivity due to HR issues.	Poor internal culture within various departments hampering innovation and achievement, high staff turn-over and ongoing loss of valued employees. Not perceived as an employer of choice resulting in attracting poor prospective employee candidates. High level reduced productivity due to HR issues.	Organisational wide poor internal culture hampering innovation and achievement, high staff turn-over and ongoing loss of valued employees. Not perceived as an employer of choice resulting in attracting poor prospective employee candidates. Severe reduced long-term productivity issues resulting from HR issues.

Legal and Compliance	Dispute resolved through internal process or expertise.	Dispute resolved through legal advice.	Council directed to undertake specific activities to remedy breaches in legislation that may require the involvement of legal firms.	Deliberate breach or gross negligence / formal investigations from third party (CCC).	Major breach of legislation resulting in major penalties, fines, CCC investigation that may result in legal action against Council staff; or class action.
Environmental	Minor adverse event that can be remedied immediately.	Isolated instances of environmental damage requiring effort to fix in the short term.	Adverse events that cause widespread damage but reversible in the short to medium term. May incur cautionary notice of infringement notice.	Significant adverse event causing widespread damage which may be reversed through appropriate remedial action in the medium term. Penalties may apply.	Major adverse environmental event requiring continual long term remedial action. Significant penalties may apply.
Workplace and Public Safety	No injury, no-low damage and/or financial costs	First aid, low-medium damage and/or financial costs	Medical treatment, medium damage and/or financial costs	Serious Injury, major damage and/or financial costs	Death, huge damage and/or financial costs
Service Delivery	Interruption to a service not requiring any further remedial action and with minimal impact on customers.	Interruption to a service requiring further remedial action and with moderate impact on customers.	Interruption to core business function or essential service with significant customer impact for up to 48 hours.	Interruption to core business function or essential service for 2-7 days.	Interruption to core business function or essential service for more than 7 days.
Political	Political activity that requires minor changes in operations	Political activity that requires changes in operations	Political activity that requires changes in operations with budget and resource implications	Political activity that requires changes in operations with significant ongoing budget or resource implications	Political activity that results in irreparable damage.
Asset	None or some minor damage where repairs are required however asset is still operational.	Short term loss or damage where repairs required to allow the asset to remain operational using existing internal resources.	Short to medium term loss of key asset(s) and where repairs required to allow the infrastructure to remain operational. Cost outside of budget allocation.	Widespread, short term to medium term loss of key asset(s). Where repairs required to allow the infrastructure to remain operational. Cost significant and outside of budget allocation.	Widespread, long term loss of substantial key asset(s). Where infrastructure requires total rebuild or replacement.
Reputation	Issue may result in a number of adverse local complaints.	Issue may attract limited negative media coverage.	Issue may attract negative regional and state media coverage through various mediums with minimal consequence.	Issue may attract significant negative State and National media coverage with some effect on Council's reputation.	Prolonged and consistent negative media attention over a sustained period of time. Staff and Elected members potentially forced to resign as a result.

Calculating the Residual Risk Rating

In order to determine action to take in respect of a risk, each risk must be rated. To do this the level of likelihood of a risk is assessed against the risks level of consequence to provide a risk rating.

The levels below are those used to rate risk throughout the organisation:

		Consequence Level				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood Level	**Almost Certain**	High	High	Extreme	Extreme	Extreme
	Likely	Medium	Medium	High	Extreme	Extreme
	Possible	Low	Medium	High	High	Extreme
	Unlikely	Low	Low	Medium	High	Extreme
	Rare	Low	Low	Medium	Medium	High

5.3.3 Risk Evaluation

Risk evaluation determines the tolerability of each risk and assists in deciding which risks need treatment, and their relative priority, by comparing the rating of the risk against the level of risk you are willing to accept. This can lead to a decision to:

- Consider risk treatment options;
- Undertake further analysis to better understand the risk;
- Maintain existing controls; or
- Reconsider objectives.

Decisions on tolerability should also be made after considering the broader context of the risk, including the impact of the risk upon other entities outside of the organisation. Treatment decisions should consider financial, legal, regulatory and other requirements. Ultimately, the considered and informed acceptance of risk supports decision-making and is essential to Council performance, including the achievement of objectives.

5.4   Treatment

Risks with a residual rating assessed as being outside of Council's risk appetite and/or tolerance require a Risk Treatment Plan (RTP) to reduce the amount of risk to an acceptable level.

The purpose of risk treatment is to select and implement options for addressing risk. Risk treatment involves an iterative process of:

1) formulating and selecting risk treatment options;
2) planning and implementing risk treatment;
3) assessing the effectiveness of that treatment;
4) deciding whether the remaining risk is acceptable in accordance with Council's risk appetite and tolerance;
5) if not acceptable, taking further treatment.

5.4.1 Risk Treatment Options

Selecting the most appropriate risk treatment option(s) involves balancing the potential benefits derived in relation to the achievement of the objectives against costs, effort or disadvantages of implementation. Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances.

The table below summarises Council's primary risk treatment options:

Treatment	Description
Avoid the risk	Not to proceed with the activity or choosing an alternative approach to achieve the same outcome. Aim is risk management, not aversion.
Mitigate the risk	Reduce the likelihood by improving management controls and procedures or reduce the consequence by putting in place strategies to minimise adverse impacts, e.g. contingency planning, Business Continuity Plan, liability cover in contracts, etc.
Transfer the risk	Shifting responsibility for a risk to another party by contract or insurance. Can be transferred as a whole or shared.
Retain the risk	Retaining the risk by informed decision, potentially to pursue an opportunity.

5.4.2 Developing a Risk Treatment Plan

The purpose of a risk treatment plan is to specify how the chosen treatment option(s) will be implemented, so that arrangements are understood by those involved, and progress against the plan can be monitored. The treatment plan should clearly identify the order in which risk treatment should be implemented.

Council's Risk Treatment Plans must include the following details:

- Analysis of treatment options (avoid, mitigate, transfer and accept) and rationale for chosen option, including consideration of costs and benefits gained/incurred through chosen treatment option;
- Those who are accountable for approving the plan and those responsible for implementing the plan;
- Proposed actions;
- Resource requirements (including any contingencies);
- Performance measures;
- Potential or actual constraints;
- Target risk rating (in reference to Council's risk appetite and tolerance)
- Reporting and monitoring requirements; and
- Timing for implementation and expected completion.

5.5   Monitoring and Review

Risks change over time and hence risk management will be most effective where it is dynamic, evolving and responsive. Council is committed to the ongoing monitoring and review of its risk profile and process to assure and improve the quality and effectiveness of its implementation and outcomes.

5.5.1 Monitoring and review of Council's Risk Management process
Council will regularly monitor and review its risk management process in accordance with the table below:

Item	Objective	Responsible	Methodology	Minimum frequency
Risk Management Policy	To ensure the policy articulates Council's position and is compliant with legislation, industry best practice and Councillor expectations.	Council	The policy will be reviewed in accordance with Council's policy review process.	Annual
Risk Management Framework	To review the frameworks performance and implementation against its intended purpose and expected behaviour, in order to determine whether it remains suitable to support achieving the objectives of the organisation.	Council	This review will consider if the Framework complies with the relevant Standard, is sufficiently resourced, and operates effectively; this includes whether: • the Framework appropriately reflects the council's risk criteria/appetite; • risks are formally and actively considered when developing and implementing council policies, programs, projects and other activities; • risk management covers all relevant risk categories; • significant risks have been identified and assessed by the council and appropriate risk treatments have been implemented that reflect the council's risk criteria; • the council's internal controls are effective and appropriate; • the council's risk register and risk profile are current and appropriate; • risk information is captured and communicated in a timely manner across the council, enabling management and staff to carry out their responsibilities, and • the council's risk management policies, procedures and plans are being complied with.	Annual
Risk Templates	To review the risk assessment and treatment plan templates in line with the criteria set out within the Framework and expectations in terms of performance and usability.	CEO	Documents to be reviewed and potentially amended in accordance with any feedback or input received from internal and/or external stakeholders.	Annual
Training Material	To ensure any training or induction material accurately reflect Council's policy and processes regarding risk management and are easy to understand.	CEO	Material to be reviewed and potentially amended in accordance with any feedback or input received by employees who are recipients of the training or participants of the induction process.	Annual

5.5.2 Monitoring and review of Council's Risks

Council employees appointed as risk owners are responsible for nominating a review date for each risk they are accountable for and must monitor those risks, including consideration of the efficiency and effectiveness of any controls in place. Risk owners are to ensure that controls are being implemented and performed adequately, and that the current residual risk rating is a reliable representation of the severity of the risk.

The following matrix is to be used as guidance when nominating a risk review date, with reviews of the risk rating to be undertaken in accordance with the frequencies listed below:

		Residual Risk Rating			
		Low	**Medium**	**High**	**Extreme**
Risk Level	**Strategic**	Quarterly	Monthly	Weekly	Daily
	Operational	Quarterly	Monthly	Weekly	Daily
	Project	To be determined by the relevant Project Manager on a case-by-case basis			

Risk owners may give consideration to the following when reviewing each risk assigned to them:

- The risks identified and their residual risk rating;
- The status, efficiency and effectiveness of existing controls for those risks;
- Potential or actual changes in the internal and/or external environment, including evolving objectives and strategies, which may impact upon those risks; and
- Any further information or resources which would improve Council's understand and/or management of those risks.

5.5.2 Monitoring and review of Council's Risk Treatments

Council employees assigned responsibility for managing a risk treatment plan are responsible for nominating a review date for each risk treatment they are accountable for and must monitor the progress, efficiency and effectiveness thereof in reaching the nominated target risk rating.

The following matrix is to be used as guidance when nominating a review date, with reviews of the implementation of the risk treatment plan to be undertaken in accordance with the frequencies listed below:

		Residual Risk Rating (Prior to Treatment)			
		Low	**Medium**	**High**	**Extreme**
Risk Level	**Strategic**	Quarterly	Monthly	Weekly	Daily
	Operational	Quarterly	Monthly	Weekly	Daily
	Project	To be determined by the relevant Project Manager on a case-by-case basis			

Treatment owners will give consideration to the progress, efficiency and effectiveness of existing risk treatment plans assigned to them, towards reaching the nominated target risk rating, and whether additional risk treatment is required.

5.6 Recording and Reporting

Risk registers will be utilised to record identified risks Council is exposed to and include information relating to any controls adopted to manage those risks. Risks will be reported through appropriate mechanisms to communicate risk management activities and outcomes across the organisation and provide information for decision-making in accordance with the following:

5.6.1 Routine Reporting

Council will conduct regular reporting to communicate risk management activities and outcomes across the organisation, as per the following table:

Level	Report Recipient	Report Format	Responsible Officer	Frequency
Strategic Risks	Council	Council Report	CEO	Quarterly
Operational Risks	CEO	EMT Report	Relevant Officer	Monthly
Project Risks	CEO	Project Risk Register	Project Manager	As required

Reports may include but are not limited to the following information:

- The risks identified and their residual risk rating;
- The status, efficiency and effectiveness of existing controls for those risks;
- The progress, efficiency and effectiveness of existing risk treatment plans towards reaching the nominated target risk rating, and whether additional risk treatment is required;
- Potential or actual changes in the internal and/or external environment, including evolving objectives and strategies;
- Any new or emerging risks for consideration and potential inclusion;
- Any further information or resources which would improve Council's understand and/or management of identified risks;
- Any lessons learned from events, including near-misses, successes and failures; and
- Exceptions or trends that may impact on the achievement of objectives.

5.6.2 Escalation Reporting

Council will report on existing or emerging risks with a residual risk rating which escalates to, or are assessed as being outside of, Council's risk appetite and tolerance for review and consideration of treatment options at the earliest reasonable opportunity, in accordance with the following table:

Risk Level	Report Recipient	Report Format	Responsible Officer	Frequency
Strategic	Council	Council Report	CEO	As Required
Operational	Council	Council Report	CEO	As determined by the CEO
Operational	CEO	Written Communication	Risk Owners	As Required
Project	Council	Council Report	CEO	As determined by the CEO
Project	Project Sponsor (and CEO, if this is not the Project Sponsor)	Written Communication	Project Manager	As Required

5.6.3 Council Decision-Making Process

Council reports may include an analysis of risks relevant to the matter to provide supporting information to Council for decision-making. This analysis may include but is not limited to:

- An assessment of the risks identified in relation to the matter in accordance with the process outlined in this framework;
- A summary of the risk assessment;
- A recommendation for decision based on the outcome of that risk assessment which actively considers Council's risk appetite and tolerance.

Council report authors may choose not to include an analysis of the relevant risks in the following circumstances, which may be detailed within the report instead:

- The report is for Councillors information only;
- The report author considers that the resources required to conducted a risk assessment outweigh the potential benefits such an assessment would provide Council; or
- The report has been prepared with insufficient time to allow for a thorough risk assessment to be conducted.

5.6.4 Other Recording and Reporting

Council will conduct additional recording and reporting in relation to its risk management activities to meet its legislative responsibilities, assist interaction with stakeholders and increase community confidence in Council's ability to manage risk:

Item/Matter	Action	Responsible Officer	Frequency
Annual Report	As part of their assessment of the local government's progress towards implementing its Corporate Plan and annual Operational Plan, the Chief Executive Officer will include an overview of risk management activities undertaken during the previous financial year in the context of achieving Council's strategic direction.	DCFS	Annual
Operational Plan	Council's Operational Plan will include an overview of Council's Operational Risk Register, provide a summary of activities which will be undertaken during the financial year to manage operational risks and outline Council's approach to managing risk.	DCFS	Annual
Investment Policy	Council's Investment Policy will outline the organisations overall risk philosophy.	DCFS	Annual
Internal Audit Plan	Council's Internal Audit Plan will include statements about: - the way in which operational risks have been evaluated; - the most significant operational risks identified from the evaluation; and; - the control measures that Council has adopted, or is to adopt, to manage the most significant operational risks.	DCFS	Annual

6. Training and Awareness

To ensure the successful, ongoing integration of risk management into Council's systems and processes it is necessary to maintain a training and awareness program for all employees.

6.1 Training Program

Council will facilitate an internal risk management training program as follows:

Training Type	Description	Responsibility	Timeframe
Induction	As part of their induction to the organisation, new Council employees will be provided with initial training on Council's risk management policy and framework which is proportionate to their role and responsibilities. At a minimum, the induction training will provide new Council employees with the following: • A general understanding of the principles and benefits of risk management; • Practical guidance in undertaking and documenting the risk assessment process, using Council's adopted risk assessment and evaluation criteria, tools, templates and systems; and • An understanding of Council's risk appetite and actions required to effectively consider risk management options.	DCFS	On commencement of employment
Refresher	All Council employees will be invited to participate in annual training to ensure their understanding of Council's risk management policy and framework which is proportionate to their role and responsibilities.	DCFS	Annual

6.2 Awareness Program

Council will facilitate an awareness program internally to ensure all Council employees have an understanding and appreciation of risk management activities within the organisation in the following ways:

Activity	Description	Responsibility	Timeframe
Information Sharing	Reports, resources and other information sources which support or enhance Council's approach to managing risk will be shared internally to encourage employee's understanding and awareness of risk management and risks which may impact Council.	Governance Manager	As Required
Risk Culture Self-Assessment	Council's risk management culture is reviewed to measure whether it is capable of facilitating open and objective risk management dialogue.	CEO	Annual