



Risk Management Framework

INFORMATION ABOUT THIS DOCUMENT

Endorsement and Review

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| Date Adopted by Council or Endorsed by the Chief Executive Officer: | 22 May 2019 |
| Resolution Number (if appropriate): | 2019/05/22.06 |
| Chief Executive Officer Signature (if appropriate): | n/a |
| Responsible Directorate: | OMCEO, Governance |
| Review Timeframe: | Annually |
| Last Review Date: | 22 May 2019 |
| Next Scheduled Review Date: | 22 May 2020 |

Document History

| ECM No. | Date Amended | Details/Comments e.g. Resolution No. |
|---------|--------------|--|
| | March 2019 | Document drafted to amend Risk Management Framework. |
| | 22 May 2019 | Risk Management Framework adopted by Council. Council resolution 2019/05/22.06 |

Further Document Information and Relationships

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| Related Legislation* | Local Government Act 2009 Local Government Regulation 2012 |
| Related Corporate Plan Outcome/Strategy | Outcome 1.3 – Our organisation is innovative, efficient and financially sustainable |
| Related Policies | Risk Management Policy |
| Related Procedures, forms, documents, etc. | International Risk Management Guidelines ISO 31000:2018 Strategic Risk Register Operational Risk Register Project Risk Register Risk Assessment Template Risk Treatment Plan Template |

*Note: Any reference to Legislation will be updated in the Management Policy as required. See website <http://www.legislation.qld.gov.au/> for current Acts and Regulations.

1. Introduction

Risk Management is the structured approach of aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risk.

Council's Risk Management Framework is an organisation wide commitment to a consistent approach to managing risks. The management of risk is not the responsibility of a particular directorate, team or service within Council, but a shared responsibility across the organisation. The acceptance of risk ownership is required by each staff member at every level within the organisation.

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;
- Improves planning processes by enabling the key focus to remain on core business and helping to ensure continuity of service delivery;
- 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-level risks and risks, which if treated provide the organisation with best value; and,
- Improves accountability, responsibility, transparency and governance in relation to both decision-making and outcomes.

3. Scope

This document applies to all Councillors, employees, contractors and to any person or organisation that acts for or represents Council.

4. Definitions

The following definitions apply to this document:

| | |
|---------------------------|---|
| Council | Whitsunday Regional Council (Council) |
| Inherent Risk | The effect of uncertainty on objectives (Note: an effect is a deviation from the expected and can be positive and/or negative). |
| Risk Management | Coordinated activities to direct and control an organisation regarding risk. |
| Consequence | The outcome or impact of an event, and in particular, the most probable worst-case scenario. |
| Control | Measure that is modifying risk. |
| Likelihood | Chance of something happening. |
| Mitigating actions | Additional processes, policies, devices, practices or actions that act to further minimise risk. |
| Acceptable risk | A risk where current controls minimise risk sufficiently so that the Shire deems that mitigating actions are not required. |
| Residual risk | Risk remaining after risk treatment. |

| | |
|----------------------------------|--|
| Risk owner | Person or entity with the accountability and authority to manage the risk. |
| Risk Management Framework | Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. |
| Risk profile | The levels of risk assessed by Council. |

5. Framework

Council's Risk Management Framework provides the foundations for designing, developing, implementing, monitoring, reviewing, and communicating risk management and continuous improvement of performance associated with Council strategy, operations and routine tasks.

Council's Risk Management Framework has been developed with a focus on managing risk at the strategic, operational and project levels of the business. This document is aimed at ensuring the concept of risk management is integrated in Council's approach to all activities and projects to inform decision-making and inform organisational culture and outcomes.

5.1 Risk Management Policy

The Risk Management Policy establishes Council's commitment to risk management throughout the organisation, outlining Council's objectives regarding risk and risk management.

5.2 Council's Risk Profile

Risks are to be assessed at the following levels within the organisation:

| Level | Description |
|--------------------------|---|
| Strategic Risks | Strategic risks for Council are those that affect the sustainability of the organisation or its ability to deliver on the strategic objectives of its corporate plan, are significant risks that affect the longer-term interests of Council and the community; and, are of a higher level, possibly affecting future service delivery. |
| Operational Risks | Operational risks are those that affect the viability of achieving activities associated with individual business units and operational objectives. These risks include issues that affect the basic services of business as usual activities of each business unit, relate to the effective and efficient use of Council's resources, and can have a day-to-day impact on specific operations. |
| Project Risks | Project risks are risks associated with individual projects, initiatives or day-to-day business activities at Council, which can be assessed in the project planning phase and throughout the duration of a business activity. |

5.3 Council's Risk Appetite

Overview

Council's risk appetite is defined as the amount and type of identified risk it is willing to pursue, retain, take or turn away from in the achievement of goals and objectives.

The following table outlines Council's risk appetite:

| | Assessed Risk Level | Required Action |
|--------------|---------------------|-----------------------------|
| Unacceptable | Extreme | Immediate action required |
| | High | Prioritised action required |
| Acceptable | Medium | Planned action required |
| | Low | Action by routine procedure |

Statement

The establishment of the Risk Appetite Statement is intended to guide Council in their actions and ability to accept and manage risks. Through the risk management framework and its risk appetite statement, the Council will formally establish and communicate its risk appetite.

Council applies the following categories to determine its risk appetite by "Risk Class":

| Level of Risk Appetite | Description |
|------------------------|--|
| Zero | No tolerance for accepting risk. |
| Minimal | Preference for options that avoid risk or have low inherent risk. |
| Moderate | Preference for safe options with low degree of residual risk and limited potential for reward. |
| Open | Willing to consider all options with a preference for prudent options and an acceptable level of reward. |
| Seeking Opportunity | Enthusiasm for innovation leading to preference for higher rewards despite greater inherent risk. |

The below table is a visual overview of Council's baseline risk appetite statement¹:

| WHITSUNDAY REGIONAL COUNCIL'S RISK APPETITE STATEMENT | | | | | |
|---|------|---------|----------|------|---------------------|
| Risk Class | Zero | Minimal | Moderate | Open | Seeking Opportunity |
| Financial | | | ✓ | | |
| Economic | | | ✓ | | |
| Technology | | | ✓ | | |
| People | | | ✓ | | |
| Legal and Compliance | | ✓ | | | |
| Environmental | | ✓ | | | |
| Workplace and Public Safety | | ✓ | | | |
| Service Delivery | | | ✓ | | |
| Political | | ✓ | | | |
| Asset | | ✓ | | | |
| Reputation | | ✓ | | | |

This visual overview demonstrates that Council has the lowest appetite for risks which may:

- compromise the financial sustainability of the organisation;
- compromise compliance with legislation and regulation;
- compromise the safety and welfare of Council employees, volunteers, contractors or members of the community;
- compromise the natural environment of the Whitsunday Region;
- result in major disruption to the delivery of key Council services;
- result in widespread and sustained damage to the Council's reputation; and,
- result in significant loss of key Council assets.

Council has some appetite for risks associated with:

- Improving efficiency, reducing costs and/or generating additional sources of income
- Maintaining and where necessary improving levels of service to the community

¹ The risk appetite statement is indicative of Council's position at the time of drafting this document (May 2019). The risk appetite of Council will change over time depending on a range of factors. An activity reassessing this will be undertaken by Council annually as part of a review process on risk management.

6. Risk Management Process

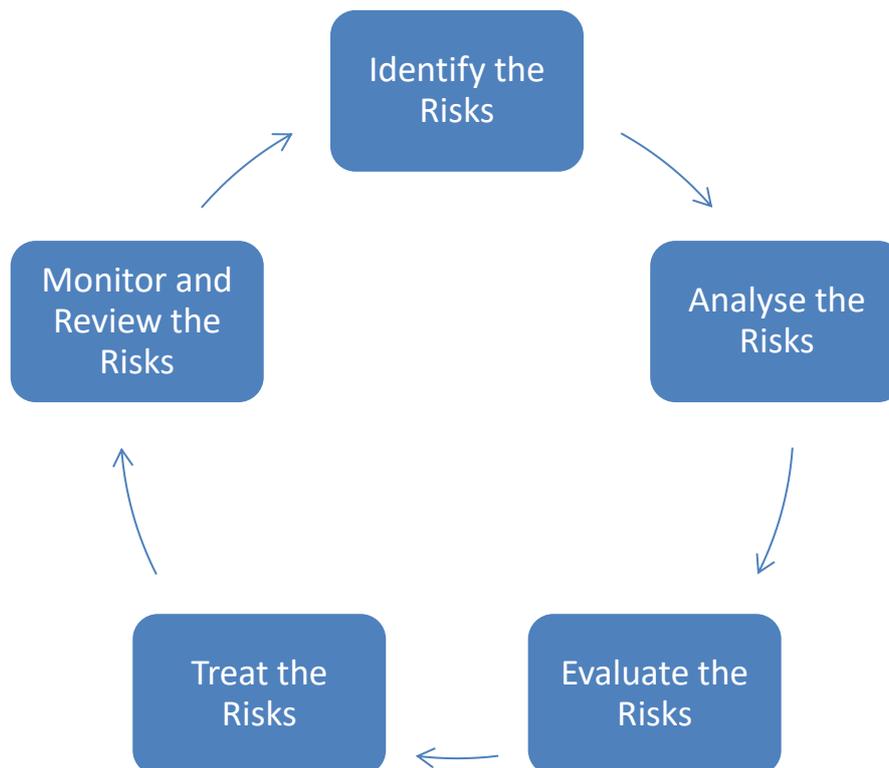
6.1 Establish Context

Establishing the context requires an examination of the external, internal and risk management environments in which the risk identification, analysis and treatment options will be considered.

The external environment includes factors such as legal, regulatory, political, economic, social, cultural, technological, and external stakeholders. The internal context includes factors such as Council's organisational structure, governance, culture, policies, goals and objectives, capabilities and internal stakeholders.

When identifying and assessing risk against the adopted criteria contained within this document, management and staff should consider the context within which they operate.

Council will utilise 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 strategic and/or operational risks.



6.2 Identify Risks

The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives. 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 includes identification of the sources of risk, areas of impacts, events (including changes in circumstances) and their causes and potential consequences.

Sources of risk could include:

- commercial/legal relationships
- socio-economic factors
- political/legal influences
- personnel/human behaviour
- financial/market activities
- management activities and controls
- technology/technical issues
- the activity itself/operational issues
- business interruption
- natural events

6.3 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 an estimate of the level of potential risk.

6.4 Risk Evaluation

Risks need to be evaluated and prioritised to ensure that management effort is directed towards resolution of the most significant risks first. The risk assessment criteria outlined in this document articulates Council's estimated levels of risks, which enables risks to be ranked to identify management priorities.

If the levels of risk are low, then risk may fall in to an acceptable category and treatment may not be required. The purpose of risk evaluation is to assist in making decisions, based on the outcomes or risk analysis, about which risks need treatment and the priority for treatment implementation.

The initial step in this risk evaluation stage is to 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. |

6.5 Risk Treatment

Risk treatment involves selecting one or more options for reducing the consequence and/or likelihood of risks and implementing those options. Once implemented, treatments provide or modify the controls.

Risks which are acceptable as per Council's risk appetite must be monitored in case circumstances change.

For risks that are not acceptable, a specific Risk Treatment Plan (RTP) which includes the following must be developed and implemented by the responsible Officer or member of the Executive Team:

- The reasons for selection of treatment options, including expected benefits gained;
- Those who are accountable for approving the plan and those responsible for implementing the plan;
- Proposed actions;
- Resource requirements;
- Performance measures and constraints;
- Reporting and monitoring requirements; and
- Timing for implementation.

The table below summarises Council's key 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 consequences, e.g. contingency planning, Business Continuity Plan, liability cover in contracts. |
| Transfer the risk | Shifting responsibility for a risk to another party by contract or insurance. Can be transferred as a whole or shared. |
| Accept the risk | Controls are deemed appropriate. These must be monitored, and contingency plans developed where appropriate. |

6.6 Monitoring, Review and Reporting Escalation

Risks are to be monitored and reported depending on their level as identified in Council's risk profile, as per the table below:

| Risk Level | Monitoring and Review | Reporting Escalation |
|---------------------------------|---|---|
| <p>Strategic Risks</p> | <ul style="list-style-type: none"> The Executive Team will review the Strategic Risk Register quarterly to ensure that all identified risks are recorded, and any mitigation/controls are on track with intended progress. The Executive Team will discuss all Strategic risks with a residual rating of high or extreme at each Executive Team meeting, with a focus on the effectiveness of controls and treatment plans. Council's Audit and Risk Committee will review Council's Strategic Risk Register at each committee meeting. Council will receive a report on the Strategic Risk Register following the Audit and Risk Committee's review. | <ul style="list-style-type: none"> Escalation of strategic risks to high or extreme, or potential new risks at this level, must be reported to the CEO for appropriate action in accordance with Council's risk appetite and management process. Strategic risks with a residual rating which is escalated to extreme must be reported to Council at the earliest reasonable opportunity. |
| <p>Operational Risks</p> | <ul style="list-style-type: none"> Operational Risk Owners are responsible for reviewing the Operational Risk Register regularly to ensure that all identified operational risks are recorded and any mitigation/controls are on track with intended progress. The Executive Team will collectively review the Operational Risk Register quarterly to ensure that all identified operational risks are recorded and any mitigation/controls are on track with intended progress. The Executive Team will discuss all Operational Risks with a residual rating of high or extreme at each Executive Team meeting, with a focus on the effectiveness of controls and treatment plans. Council's Audit and Risk Committee will review Council's Operational Risk Register at each committee meeting. | <ul style="list-style-type: none"> Escalation of operational risks to high or extreme must be reported to the CEO for their information and potential action in accordance with Council's risk appetite and management process. Operational risks with a residual rating which is escalated to extreme must be reported to Council at the earliest reasonable opportunity. Operational risks may escalate into a strategic risk. Operational Risk Owners are responsible for reporting to the CEO for appropriate action if they identify that an operational risk could escalate into a strategic risk. |
| <p>Project Risks</p> | <ul style="list-style-type: none"> Each member of staff has the responsibility of assessing the risks associated with individual projects, initiatives or business activities they perform as part of their role. Projects assessed by CEO or Council as being of an overall risk rating of high or extreme will be reported regularly for oversight to the Major Projects Advisory Board, Chaired by Mayor, using project reporting templates as defined by that Board (this is in addition to normal project management governance). | <ul style="list-style-type: none"> Escalation of project risks to high or extreme must be reported to the person whom the individual that identifies the risk directly reports to. Escalation of a projects overall risk rating to high or extreme must be reported to the CEO. |

7. Risk Assessment Criteria

7.1 Risk Rating Matrix

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 | | | | |
|------------------|----------------|-------------------|--------|--------|---------|---------|
| | | Very Low | Minor | Medium | High | Extreme |
| Likelihood Level | Almost Certain | Medium | High | High | Extreme | Extreme |
| | Likely | Medium | Medium | High | High | Extreme |
| | Possible | Low | Medium | High | High | Extreme |
| | Unlikely | Low | Low | Medium | Medium | High |
| | Rare | Low | Low | Medium | Medium | High |

7.2 Likelihood Descriptors

The likelihood table below provides guidance on assessing the likelihood of risk occurring:

| Likelihood Category | Event Frequency (The risk has occurred, or it is probable that it will occur...) | Description |
|---------------------|---|--|
| Almost Certain | More than 1 event per month | Expected to occur, occurs regularly in the industry. |
| Likely | More than 1 event per year | Will probably occur, has occurred many times in the industry. |
| Possible | Once every 1 to 10 years | Might occur, has occurred several times in the industry. |
| Unlikely | Once every 10 to 100 years | Not likely to occur, has occurred once or twice in the industry. |
| Rare | Less than once every 100 years | May only occur in exceptional circumstances, unheard of in the industry. |

7.3 Consequence Descriptors

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 | | | | |
|------------|---|---|--|--|--|
| | Very Low | Minor | Medium | High | Extreme |
| Financial | Negligible financial loss; less than \$10,000. | Minor financial loss; \$10,001 - \$50,000. | Significant financial loss; \$50,001 - \$500,000. | Major financial loss; \$500,001 - \$1m. | Extensive financial loss; in excess of \$1m. |
| Economic | None to minimal impact or inconvenience to single businesses within the Whitsunday Region. | Inconvenience to a group of businesses within one sector or locally within the Whitsunday Region. | Group of businesses in one sector or locally within the Whitsunday Region put at risk. | A minor industry or whole sector of Whitsunday Region economy put at risk. | One or more major industries (e.g Tourism, Agriculture, Education, Construction, Manufacturing, Retail, and Fishing) within Whitsunday Region threatened. |
| Technology | 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 greater than 7days. |
| 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. | Corporation 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 corporation penalties, fines, CCC investigation that may result in legal action against corporation 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 | None or very minimal injuries; no first aid required. | Minor injuries resulting in first aid treatment only. | Moderate injuries where medical treatment is required. | Serious injuries where short-term hospitalisation is required. Psychological or physical harm to small sector(s) of the community or staff. | Fatality, permanent disability or long-term hospitalisation. Significant psychological or physical harm to considerable sector(s) of the community or staff. |
| 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 media coverage. | Issue may attract regional and state media coverage through various mediums with minimal consequence. | Issue may attract significant State and National media coverage with some effect on Council's reputation. | Prolonged adverse media attention. Staff and Elected members forced to resign. |

8. Responsibilities

Council is committed to making the necessary resources available to assist those with responsibilities as detailed in this document.

| Role | Responsibility |
|---|---|
| Council | Accountable for managing risk in the exercise of policy setting and decision-making powers and considers advice relating to risk management contained in Council reports. |
| Audit and Risk Committee | <p>Responsibilities specific to the risk management framework include:</p> <ul style="list-style-type: none"> • Ensuring risks and exposures are identified and effectively managed; • Enquiring of the CEO about significant risks or exposures and assess the policies and procedures being taken to minimise such risks; • Considering whether management have adequate controls and risk management procedures in place including over third parties such as contractors or advisors; • Reviewing Council's risk profile and risk appetite statement; • Progressively review and monitor Councils risk management framework and identify opportunities for improvement; • Encouraging an attitude of continuous improvement throughout all aspects of business of the organisation. <p>The Committee, through working with the CEO, will ensure a comprehensive risk management framework, including risk management policy, is applied to manage all significant risks to the organisation and its operations.</p> |
| Executive Team | Responsible for leading and maintaining an enterprise-wide risk management culture across the organisation and ensuring that the risk management policy and framework are effectively implemented and embedded within the culture of Council's day-to-day business. |
| Office of the Mayor & CEO - Governance | Responsible for the day-to-day tasks required to implement Council's Risk Management Framework and to ensure it continues to operate effectively. This includes maintenance and facilitation of Council's risk registers and the coordination of risk awareness, risk training and preparation of risk management reports to Council and the Executive Team as required. |

Risk Management Framework

Office of the Mayor & CEO, Governance

Revokes: Enterprise Risk Management Framework adopted 31 January 2018

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| <p>All Staff</p> | <p>All staff are responsible for managing project risks in their areas of responsibility. Examples may include:</p> <ul style="list-style-type: none"> • Positively contributing to Council's risk management culture; • Identifying, evaluating, assessing, treating and monitoring the key risks that might potentially impact the achievement of Council's strategic and operational objectives; • Supporting the integration of risk management into all aspects of their business; • Observing and informing Managers or Supervisors of any specific public risk; • Maintaining an awareness of risks (current and potential) that relate to their area of responsibility. |
| <p>Internal Auditors</p> | <p>Provides an independent review function to Council. In accordance with an agreed Internal Audit Plan, the internal audit conducts regular reviews across Council's activities and identifies areas of risk and scope for improvement.</p> |
| <p>Major Projects Advisory Board</p> | <p>Responsible for oversight of projects determined by the CEO or Council as being of a high or extreme risk.</p> |

9. Appendices

Appendix A – Summary of Key Risk Management Activities

| Action | Description | Responsibility | Timeframe |
|--|--|---|---|
| Review Risk Management Policy | Review the currency and effectiveness of Council's Risk Management Policy | OMCEO – Governance to facilitate review process. Council to adopt following review by the Audit and Risk Committee. | Every four years (or within 12 months of new Council being elected). |
| Review Risk Management Framework | Review the currency and effectiveness of Council's Risk Management Framework, including Council's risk appetite statement, risk rating matrix and consequence/likelihood tables. | OMCEO – Governance to facilitate review process. Executive Team to endorse following review by the Audit and Risk Committee. | Annually |
| Review Strategic Risk Register | Review risks and controls contained in Council's Strategic Risk Register and identify new or emerging risks at this level. | OMCEO – Governance to facilitate review process. Risk Owners responsible for adding and amending content. Executive Team and Audit and Risk Committee responsible for reviewing and providing feedback and advice on content. | Executive Team to review Strategic Risk Register quarterly and discuss strategic risks with a high or extreme residual risk rating at every meeting. Audit and Risk Committee to review at every ordinary committee meeting. Council to review following meeting of the Audit and Risk Committee. |
| Review Operational Risk Register | Review risks and controls contained in Council's Operational Risk Register and identify new or emerging risks to operational business units. | OMCEO – Governance to facilitate review process. Risk Owners responsible for adding and amending content. Executive Team and Audit and Risk Committee responsible for reviewing and providing feedback and advice on content. | Executive Team to review Operational Risk Register quarterly and discuss operational risks with a high or extreme residual risk rating at every meeting. Audit and Risk Committee to review at every ordinary committee meeting. |
| Review of Projects determined by Council or the CEO as high or extreme risk | Review risks and controls/treatment plans of projects. | Major Projects Advisory Board | Major Projects Advisory Board to review projects of a high or extreme risk at every meeting. |
| Extreme Residual Risks | Reporting of risks with a residual rating of extreme. | Risk Owners will ensure risks with a residual rating | As required. |

Risk Management Framework

Office of the Mayor & CEO, Governance

Revokes: Enterprise Risk Management Framework adopted 31 January 2018

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|---|---|---|---|
| | | which is escalated to extreme are reported to Council at the earliest reasonable opportunity. | |
| Operational Plan | In accordance with s175(1)(b)(ii) of the Local Government Regulation 2012, Council will state how it will manage operational risks. | OMCEO, Governance | Annually (as part of Operational Plan development). |
| Develop and implement Risk Treatment Plans | Develop and implement actions contained in Risk Treatment Plans (RTP). | Risk Treatment/Control Owners | As identified in the relevant RTP. |
| Review Project Risks | Review risk ratings of projects, initiatives and routine tasks. | All Staff | On-going |
| Annual Report | Detail risk management activities undertaken during the previous financial year and any relevant risk management issues. | OMCEO, Governance | Annual |
| Investment Policy | Ensure Council's Investment Policy outlines the organisations overall risk philosophy (as per s191(2)(a) of the Local Government Regulation 2012). | Chief Financial Officer | Annual |
| Internal Audit Plan | Ensure Council's Internal Audit Plan includes statements about the way in which Council's operational risks have been evaluated, which are the most significant and the control measures adopted or to be adopted to manage these risks (as per s207(2) of the Local Government Regulation 2012). | Internal Auditors (in collaboration with OMCEO - Governance). | During development of Internal Audit Plan. |
| Communication/Training | Ensure all staff are aware of the Risk Management Framework and their obligations. | OMCEO - Governance | On-going |