



Material Risks Report

Responsible Officer: GENERAL MANAGER

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VERSION CONTROL

Date	Version	Key Changes	Author
30 Aug 2018	1.0	Material Risks identified and assessed	Quantum MC / GM
4 Sep 2018	1.1	Material Risk descriptions and actions	GM
6 Sep 2018	1.2	Final updates and minor edits.	GM
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1. Introduction

1.1. Background

The purpose of this **Material Risks Report** is to identify and manage the Council's Material Risks. These risks comprise Tier 1 level risks from a combination of strategic, preventable and external risks from different categories, together with escalated Tier 2 risks. (Note: Tier 2 risk have not been identified at the time of writing.)

This report complies with the principles and practices defined in the Risk Management Policy and the Risk Management Strategy and complies with the international standard for risk management AZ/NZS ISO 31000:2018 ("ISO 31000").

The risks included in this report are reflected in the risk registers and should be reviewed regularly as stated in section 4.7 Monitor and Review Risks.

1.2. Risk Appetite Statement

As stated in the Risk Management Strategy (RMS), *the Council recognises the importance of maintaining a documented Risk Appetite Statement (RAS) that clearly articulates the amount and type of risk that it is willing to seek or retain in pursuit of its objectives.*

The RAS provides a clear summary of the acceptable level of risk the Council must execute their business plans in pursuit of its strategic objectives.

Risks are grouped under the following classifications:

- Strategic Risks - risks taken for superior strategic returns. Our appetite for these risks is dependent upon the strategic value to be gained in taking each risk.
- Preventable Risks - risks largely within our control that do not generate strategic benefit. The Council's appetite for these risks is low to moderate.
- External Risks - risks largely outside of our control. We are forced to retain these risks because they are part of our operating environment. Our goal is to reduce these risks as low as reasonably practicable.

The Council's Risk Appetite is shown below, as assessed in August 2018. The Council's current performance is assessed against each risk category.

Key: Risk Appetite **highlighted**. Current performance marked with an "X" and **highlighted grey**.

Risk Rating	LOW	MODERATE	HIGH	VERY HIGH
	Accept risk.	Risk may be accepted but a Risk Treatment Plan is required.	"High" risks may be accepted for short periods of time under exceptional circumstances.	"Very High" Risks are NOT acceptable under any circumstances.
	Actively monitor and manage with a view to prevent/minimise escalation.	Actively monitor and manage with a view to reduce risk/minimise escalation.	Action must be taken soon to reduce, avoid or transfer the risk.	Immediate action required to reduce, avoid or transfer the risk.
Risk Category			Additional Risk Treatment required.	Additional Risk Treatment required. Regular reporting to The Council.
STRATEGIC RISKS				
<i>Risks the Council choses to take. To capture positive benefits.</i>				
Economic Development Risks (ECD)			X	
Asset Management Risks (AMP)				X
PREVENTABLE RISKS				
<i>Risk that have to be taken but should be mitigated as low as reasonably practical.</i>				
Health and Safety Risks (H&S)				X
Regulatory Compliance Risks (REG)				X
Environmental Risks (ENV)				X
Financial Sustainability Risks (FIN)			X	
Organisational Risks (ORG)			X	
Operational Risks (OPS)			X	
Information Security Risks (INF)			X	
Governance Risks (GOV)				X
EXTERNAL RISKS				
<i>Risks that have to be taken (and understood) but cannot be controlled/mitigated.</i>				
Community Engagement Risks (COM)			X	
Political Risks (POL)		X		
Insurance Risks (INS)		X		
Climate Change Risks (CLC) ²	X			

NOTES:

1. Current risk levels lie outside the Council's appetite for risk across many categories. This is due, in part, to many legacy issues that the Council is dealing with. The current management team are working hard to bring these risks back towards appetite and then within it.
2. Climate Change risks assessed as LOW which is meets the LOW risk appetite so is not considered in detail in the following sections.

2. Material Risks Summary

	Risk Category	Description of Risk Event	Inherent Risk Rating	Residual Risk Rating	Council Risk Appetite	Risk Decision Retain, Reduce, Transfer, Avoid	Actions	Owner
STRATEGIC RISKS								
1.	Economic Development	The risk of high barriers (or perception of high barriers) to entry to King Island due to opposition to planning approvals that meet Council objectives by isolated minority groups in the community.	HIGH	HIGH	MODERATE	Reduce (Treat)	Education program for planners and community re the panning process and implications of approval.	GM
2.	Asset Management	The risk of significant expenditure being needed to bring KIC infrastructure to the required level to be fit for purpose (now and in the future) due to delayed investment (historical and current).	VERY HIGH	VERY HIGH	LOW	Reduce (Treat)	Development and effective implementation of a robust asset management policy, strategy and review system.	GM
PREVENTABLE RISKS								
3.	Health and safety	The risk of a health and safety incident occurring on any of the Council operated sites due to unsafe practice or the use of poor/inappropriate plant and equipment.	VERY HIGH	VERY HIGH	LOW	Reduce (Treat)	Develop TAP including a suite of strategies and improved Controls	GM (DIS)
4.	Regulatory Compliance	The risk of not meeting AG compliance requirements within a timely manner, then maintaining them due to poor governance practices.	VERY HIGH	VERY HIGH	MODERATE	Reduce (Treat)	Focused compliance management and supporting systems developed and implemented.	DCCS
5.	Environmental	The risk of an incident at a KIC facility leading to significant damage of the pristine environmental due to poor practices and procedures.	VERY HIGH	VERY HIGH	LOW	Reduce (Treat)	Development and effective implementation of a robust environmental management policy, strategy, compliance system and review process.	GM
6.	Financial Sustainability	The risk of KIC not being financially sustainable due to significant reduction in financial support or increase in costs.	VERY HIGH	HIGH	LOW	Reduce (Treat)	Development and effective implementation of a robust financial management policy, strategy and review system.	DCCS
7.	Organisational	<i>The risk of being unable to deliver core and support activities due to inadequate capacity, capability and poor culture.</i>	VERY HIGH	HIGH	LOW	Reduce (Treat)	Organisational design review to enable the effective delivery of Council services.	GM
8.	Operational	<i>The risk that KIC are unable to deliver core activities to the standards demanded by the community due to unrealistic (misinformed) community expectations and inadequate delivery team.</i>	HIGH	HIGH	LOW	Reduce (Treat)	Comprehensive resourcing review (personnel/equipment/materials) to enable the effective delivery of Council services.	GM
9.	Information Security	<i>The risk of a loss of information that impacts the delivery of core services due to poor information management.</i>	HIGH	HIGH	MODERATE	Reduce (Treat)	Develop a Business Continuity Plan	DCCS
10.	Governance	The risk of legal/financial exposure and reduced community confidence due to poor organisational governance.	VERY HIGH	HIGH	LOW	Reduce (Treat)	Develop and implement best practice processes and procedures to ensure the appropriate ethical, legal and information management requirements.	GM
EXTERNAL RISKS								
11.	Community Engagement	The risk of reduced community confidence and value, destroying resource allocation especially to low priority matters due to insufficient or ineffective community consultation and communication on key issues.	HIGH	HIGH	MODERATE	Reduce (Treat)	Develop and implement an appropriate community engagement strategy, plan and process, consistent with best practice.	CCM
12.	Political	The risk of the Council's current strategic direction not being supported at Federal, State and Local Government levels due to changes in political agenda / priorities at any level.	VERY HIGH	HIGH	LOW	Reduce (Treat)	Effective and appropriate information sharing with each level of Government office to instil confidence and generate increased support.	GM
13.	Insurance	The risk of critical legal or financial exposure due to inadequate or nil insurance cover for key Council assets/service activities.	VERY HIGH	MODERATE	LOW	Reduce (Treat)	Prepare situation paper regarding insurance cover. Update Asset management documentation and valuations – ongoing.	DCCS

3. Material Risks Detailed Assessment Register

The following tables provide a detailed breakdown for the Material Risks currently faced by The Council.

3.1. Economic Development Risk

1. RISK CONTEXT	
Council Objective:	4. "Facilitate economic development that supports appropriate and sustainable growth"
Department:	Corporate and Community Services (Economic Development)
Source of Risk:	Predominantly external.
2. RISK IDENTIFICATION	
Risk Name:	Opposition to planning approvals
Risk Description:	The risk of high barriers (or perception of high barriers) to entry to King Island due to opposition to planning approvals that meet Council objectives by isolated minority groups in the community.
Risk Owner:	General Manager
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. "NIMBY" approach by local residents or groups. 2. Negative impact (or perception of negative impact) to residents and groups 3. Lack of understanding of the Council's role and priorities. 4. Perspectives not aligned with KIC priorities
Consequence(s):	<p>Consequences described qualitatively to gain a full understanding of the impacts if the event was to occur.</p> <ol style="list-style-type: none"> 1. Approvals process is extended, involving legal action and court intervention 2. Additional time and expenses spent, drawing on limited council resources 3. Reduces the attractiveness of King Island for local and external investment 4. Adversely affects King Islands reputation and brand 5. Sends signal, or perception, that King Island is closed to external investment or that the process is potentially laborious compared with other locations. 6. Increased objections in the future if initial challenge(s) is successful
Inherent Likelihood:	Possible – The event should occur at some time. One event every 3 to 10 years.
Inherent Consequence:	<p>Safety: -</p> <p>Financial: \$35K-\$210K one off loss or reduction in recurrent budget – Medium</p> <p>Legal: Major legal action over extended period – Major</p> <p>Reputation: Short term adverse National media coverage – Major</p> <p>Operations: Support services interrupted up to 1 month – Minor</p> <p>Environmental: -</p>
Inherent Risk Rating:	Possible – Major – HIGH
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Appropriate Policies, processes and procedures in place 2. Planning approval process unchanged <p>Mitigating</p> <ol style="list-style-type: none"> 3. Appropriate Policies, processes and procedures in place to guide through litigation 4. Direct communication lines established with local action groups – formal and informal 5. Strong open links with media – local, state and national <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 6. Internal audit to check implementation in accordance with processes and practices

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 3. Improvement Required 4. Ineffective 5. Ineffective <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. Ineffective
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Oct 18 / Contractors appointed 2. GM / Dec 18 / - <p>Mitigating</p> <ol style="list-style-type: none"> 3. GM / Dec 18 / develop and circulate Plan 4. GM / 30June18 / initiate training exercise 5. GM / Dec 18 / consider options and make arrangements <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. GM / Oct 18 / appoint appropriate resource
Residual Likelihood:	Possible – The event should occur at some time. One event every 3 to 10 years.
Residual Consequence:	<p>Safety: -</p> <p>Financial: \$35K-\$210K one off loss or reduction in recurrent budget – Medium</p> <p>Legal: Major legal action over extended period – Major</p> <p>Reputation: Short term adverse National media coverage – Major</p> <p>Operations: Support services interrupted up to 1 month – Minor</p> <p>Environmental: -</p>
Residual Risk Rating:	Possible – Major – HIGH
4. RISK EVALUATION	
Target Risk Rating:	Possible – Medium – MODERATE
Risk Decision:	REDUCE – Risk level not currently acceptable. No outsourcing options. Activities are core to service delivery
5. RISK TREATMENT	
Treatment Action Plan:	Develop TAP asap. Education program for planners and community re the planning process and implications of approval.
Action Owner:	GM / Dec 18
Action Notes:	New resource required to complete safety audits on site
6. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.2. Asset Management Risk

1. RISK CONTEXT	
Council Objective:	2. Support our population and future growth through public infrastructure, services, land use, and development strategies that create a connected, sustainable and accessible community.
Department:	Infrastructure department
Source of Risk:	Mainly internal
3. RISK IDENTIFICATION	
Risk Name:	Delayed investment risk.
Risk Description:	The risk of significant expenditure being needed to bring KIC infrastructure to the required level to be fit for purpose (now and in the future) due to delayed investment (historical and current).
Risk Owner:	GM / Council
4. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. Lack of planning and foresight. 2. Inadequate Asset Management practices. 3. Inadequate budget. 4. Poor decision making or prioritisation.
Consequence(s):	<ol style="list-style-type: none"> 1. Assets not managed properly/adequately. 2. Budget not reflective of actual requirements (current and future). 3. Greater financial investment required. 4. Failure or poor planning leads to negative environmental impact. 5. Adverse community opinion and media coverage.
Inherent Likelihood:	Almost Certain
Inherent Consequence:	<p>Safety: Potential damage / some lost time – Medium</p> <p>Financial: Increase in budget by >20% – Catastrophic</p> <p>Operations: Disruption to core activities up to 12 month – Major</p> <p>Reputation: Major local media coverage – Medium</p> <p>Compliance: Repeated major breaches of legislation. Significant prosecution and fines – Catastrophic</p> <p>Environmental: Long term damage to environment - Major</p>
Inherent Risk Rating:	Almost Certain – Major or Catastrophic – VERY HIGH
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Introducing AMP process and procedures. 2. More robust financial management and budgeting practices. 3. Stakeholder engagement strategy. 4. Council appraised of actual situation. <p>Mitigating</p> <ol style="list-style-type: none"> 5. Engage with community to obtain feedback and priorities. <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 6. Audit panel review
Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required 3. Improvement Required 4. Satisfactory – ongoing requirement <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required- <p>Detective (checks implementation of Preventative Controls)</p>

	6. <i>Improvement Required</i>
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Dec 18 / ... 2. GM / Dec 18 / process rolled out 3. GM / Dec 18 / - 4. GM / Dec 18 / - <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / - <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. GM/Chair / Dec 18 / -
Residual Likelihood:	Possible – One event in every 3 to 10 years
Residual Consequence:	<p>Safety: Potential damage / some lost time – Medium</p> <p>Financial: Increase in budget by >20% – Catastrophic</p> <p>Operations: Disruption to core activities up to 12 month – Major</p> <p>Reputation: Major local media coverage – Medium</p> <p>Compliance: Repeated major breaches of legislation. Significant prosecution and fines – Catastrophic</p> <p>Environmental: Long term damage to environment - Major</p>
Residual Risk Rating:	Possible – Major or Catastrophic – HIGH
5. RISK EVALUATION	
Target Risk Rating:	Possible Insignificant or Unlikely Minor – LOW
Risk Decision:	REDUCE – Enhance all existing controls and introduce new additional controls
6. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Development and effective implementation of a robust asset management policy, strategy and review system.</p>
Action Owner:	GM (Dir Inf and Engineer) / Oct 18
Action Notes:	<i>Contractor appointed and progressing.</i>
7. MONITOR AND REVIEW	
Status of Controls:	<i>Pending / Action</i>
Action:	<i>TBC</i>
Report:	<i>TBC</i>
Review:	<i>Dec 18</i>

3.3. Health and Safety Risk

1. RISK CONTEXT	
Council Objective:	<i>Establish a safe working culture with a supporting robust Safety Management System.</i>
Department:	<i>Infrastructure department</i>
Source of Risk:	<i>Predominantly internal. Some external factors.</i>
2. RISK IDENTIFICATION	
Risk Name:	<i>Health and safety incident</i>
Risk Description:	<i>The risk of a health and safety incident occurring on any of the Council operated sites due to unsafe practice or the use of poor/inappropriate plant and equipment.</i>
Risk Owner:	<i>Director of Infrastructure (reporting to the GM)</i>
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>Poor working behavior / practice</i> 2. <i>Safe working method statement not prepared, inadequate or ignored</i> 3. <i>Lack of adequate training (process, individual and team)</i> 4. <i>Plant and equipment inappropriate or in poor condition</i> 5. <i>Member of the public accessing site inappropriately</i>
Consequence(s):	<ol style="list-style-type: none"> 1. <i>Death or injury to one or more staff and/or members of the public</i> 2. <i>Action by regulators leading to potential fines / prosecution</i> 3. <i>Potential environmental damage</i> 4. <i>Closure of facility for the period of investigation – impact on operations service delivery</i> 5. <i>Staff morale adversely affected</i> 6. <i>Additional staffing requirements during investigation</i> 7. <i>Financial impact of all of above</i> 8. <i>Negative impact on reputation of Council, staff and Councilors</i>
Inherent Likelihood:	<i>Almost Certain</i> – Event expected to occur in most circumstances – One or more events every year
Inherent Consequence:	<p><i>Safety: Fatality – Catastrophic</i></p> <p><i>Financial: One off loss of \$6M – Catastrophic</i></p> <p><i>Operations: Key service delivery interrupted for 40 days – Major</i></p> <p><i>Reputation: Sustained negative state media coverage – Catastrophic</i></p> <p><i>Compliance: Significant prosecution and fines – Catastrophic</i></p> <p><i>Environmental: Long term permanent damage to natural environment - Major</i></p>
Inherent Risk Rating:	<i>Almost Certain – Major or Catastrophic – VERY HIGH</i>
Current Controls:	<p><i>Preventative</i></p> <ol style="list-style-type: none"> 1. <i>Appropriate Policies, processes and procedures in place</i> 2. <i>Regular staff appraisals to identify skills gaps and prioritise training needs</i> 3. <i>Training provided as required</i> 4. <i>Appropriate plant and equipment provided and well maintained</i> <p><i>Mitigating</i></p> <ol style="list-style-type: none"> 5. <i>Emergency Incident Response Plan prepared and circulated including communications, escalation and media engagement</i> 6. <i>Emergency Incident Response training held regularly (annually)</i> 7. <i>Counselling services available</i> <p><i>Detective (checks actual implementation of Preventative Controls vs planned/required)</i></p> <ol style="list-style-type: none"> 8. <i>Internal safety audit to check implementation of processes and practices</i> 9. <i>Independent audit to check implementation and review mitigating documentation (completeness and appropriateness)</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required 3. Satisfactory 4. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required 6. Ineffective 7. Ineffective <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 8. Ineffective 9. Ineffective
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Oct 18 / Contractors appointed 2. Dir Inf / Oct 18 / process rolled out 3. GM / ongoing / - 4. GM / Dec 18 / Dir Inf audit underway <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / develop and circulate Plan 6. GM / 30June18 / initiate training exercise 7. GM / Dec 18 / consider options and make arrangements <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 8. GM / Oct 18 / appoint appropriate resource
Residual Likelihood:	Likely – One event in every 1 to 3 years
Residual Consequence:	<p>Safety: Fatality – Catastrophic</p> <p>Financial: One off loss of \$6M – Catastrophic</p> <p>Operations: Key service delivery interrupted for 40 days – Major</p> <p>Reputation: Sustained negative state media coverage – Catastrophic</p> <p>Compliance: Significant prosecution and fines – Catastrophic</p> <p>Environmental: Long term permanent damage to natural environment - Major</p>
Residual Risk Rating:	Likely – Major or Catastrophic – HIGH or VERY HIGH
4. RISK EVALUATION	
Target Risk Rating:	Possible Insignificant or Unlikely Minor – LOW
Risk Decision:	REDUCE – Risk level not currently acceptable. No outsourcing options. Activities are core to service delivery.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Including a suite of strategies and improved Controls</p>
Action Owner:	GM (Dir Inf and Engineer) / Oct 18
Action Notes:	New resource required to complete safety audits on site
6. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	Part of Dir Inf monthly report to GM.
Review:	Oct 18

3.4. Regulatory Compliance Risk

1. RISK CONTEXT	
Council Objective:	4. "Provide high-quality professional governance, advocacy and leadership together with effective administration of Council resources"
Department:	<i>Infrastructure and Corporate and Community Services</i>
Source of Risk:	<i>Internal</i>
2. RISK IDENTIFICATION	
Risk Name:	<i>Poor governance practices</i>
Risk Description:	<i>The risk of not meeting AG compliance requirements within a timely manner, then maintaining them due to poor governance practices.</i>
Risk Owner:	<i>General Manager</i>
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>Many unresolved legacy issues</i> 2. <i>Immature governance processes and practices</i> 3. <i>Lack of resources available to successfully implement change</i> 4. <i>Poor stakeholder engagement and reporting</i> 5. <i>Lack of adequate training (process, individual and team)</i>
Consequence(s):	<ol style="list-style-type: none"> 1. <i>Lack of support from the Council</i> 1. <i>Action by AG / regulators leading to fines, prosecution and potential temporary administration</i> 2. <i>Negative impact on reputation of Council, staff and Councilors</i> 3. <i>Loss of key staff</i> 4. <i>Staff morale adversely affected</i> 5. <i>Financial impact and disruption of all of above</i> 1. <i>Management isolated re backlash from decisions leading to potential loss of key staff including GM</i>
Inherent Likelihood:	<i>Almost Certain</i> – Event expected to occur in most circumstances – One or more events every year
Inherent Consequence:	<p><i>Safety: Widespread impact on morale – Major</i></p> <p><i>Financial: One off loss of \$1M – Moderate</i></p> <p><i>Operations: Core service activities disrupted for > 1 month – Catastrophic</i></p> <p><i>Reputation: Damage to reputation and trust that takes many years to repair – Catastrophic</i></p> <p><i>Compliance: Significant prosecution and fines. Repeated major breaches – Catastrophic</i></p> <p><i>Environmental: If environmental related – serious damage to environment - Moderate</i></p>
Inherent Risk Rating:	<i>Almost Certain – Major or Catastrophic – VERY HIGH</i>
Current Controls:	<p><i>Preventative</i></p> <ol style="list-style-type: none"> 1. <i>Regular liaison with the AG and regulators</i> 2. <i>Appropriate policies, processes and procedures introduced</i> 3. <i>Organisational development planning including organisation structure redesign</i> 4. <i>Staff changes and training to ensure required capability and capacity</i> <p><i>Mitigating</i></p> <ol style="list-style-type: none"> 5. <i>Council fully appraised of legacy issues and mitigating strategies</i> 6. <i>Emergency Incident Response training held regularly (annually)</i> 7. <i>Communications plan (being developed ?)</i> <p><i>Detective (checks actual implementation of Preventative Controls vs planned/required)</i></p> <ol style="list-style-type: none"> 8. <i>Internal audit to check implementation of new policies, processes and procedures ??</i> 9. <i>Independent audit panel to check implementation and review mitigating documentation</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> Satisfactory Improvement Required Improvement Required Ongoing / Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> Satisfactory Ineffective Ineffective <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> Improvement Required Improvement Required
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> GM / Oct 18 / Ongoing comms GM / Dec 18 / process rolled out GM / Dec 18 / Org redesign almost complete GM / Dec 18 / Ongoing recruitment <p>Mitigating</p> <ol style="list-style-type: none"> GM / Dec 18 / ongoing GM / Dec 18 / initiate training exercise GM / Dec 18 / Develop Communications Plan ?? <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> GM / Oct 18 / appoint appropriate resource GM / Dec 18 / engage with Audit Panel
Residual Likelihood:	Likely – One event in every 1 to 3 years
Residual Consequence:	<p>Safety: Fatality – Catastrophic</p> <p>Financial: One off loss of \$6M – Catastrophic</p> <p>Operations: Key service delivery interrupted for 40 days – Major</p> <p>Reputation: Sustained negative state media coverage – Catastrophic</p> <p>Compliance: Significant prosecution and fines – Catastrophic</p> <p>Environmental: Long term permanent damage to natural environment - Major</p>
Residual Risk Rating:	Likely – Major or Catastrophic – HIGH or VERY HIGH
4. RISK EVALUATION	
Target Risk Rating:	Possible – Medium – MODERATE
Risk Decision:	REDUCE – Risk level not currently acceptable. No outsourcing options. Activities are core to service delivery.
5. RISK TREATMENT	
Treatment Action Plan:	Develop TAP asap. Focused compliance management and supporting systems developed and implemented.
Action Owner:	GM (Dir Inf and Engineer) / Oct 18
Action Notes:	New resource required to complete safety audits on site
6. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.5. Environmental Risk

1. RISK CONTEXT	
Council Objective:	1. "Ensure the island's unique natural and built environment are respected and sustainably cared for"
Department:	Both Infrastructure / Corporate and Community Services
Source of Risk:	Internal.
2. RISK IDENTIFICATION	
Risk Name:	Environmental contamination incident
Risk Description:	The risk of an incident at a KIC facility leading to significant damage of the pristine environmental due to poor practices and procedures.
Risk Owner:	General Manager
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	Identify the issues that might cause this event/incident to occur. <ol style="list-style-type: none"> Poor working behavior and practices No (or little) staff awareness or organisation understanding of environmental management obligations No appetite at Council level to invest to address the shortcomings of current practices by frontline staff.
Consequence(s):	Consequences described qualitatively to gain a full understanding of the impacts if the event/incident was to occur. <ol style="list-style-type: none"> Death or injury to one or more staff and/or members of the public Action by regulators leading to potential fines / prosecution Damage to natural and built environmental damage Potential closure of facility during an investigation – impact on operations service delivery (and additional resources required) Financial impact of all of above Negative impact on reputation of Council, staff and Councilors
Inherent Likelihood:	Almost Certain – Event expected to occur in most circumstances – One or more events every year
Inherent Consequence:	Safety: Short term impact on morale of staff – Medium Financial: Increase in overall budget by 10-20%. One off loss of up to \$2.5M. – Major Operations: Core services activities disrupted for up to 1 month – Major Reputation: Short term adverse National media coverage – Major Compliance: Significant prosecutions and fines – Catastrophic Environmental: Widespread severe impairment or loss of ecosystem across species and landscapes, irrecoverable environmental damage - Catastrophic
Inherent Risk Rating:	Almost Certain – Major or Catastrophic – VERY HIGH
Current Controls:	Preventative <ol style="list-style-type: none"> Redefining SOP's for appropriate service delivery Environmental management plan being Staff training provided as required Engaged with environmental regulator and environmental community stakeholder group Mitigating <ol style="list-style-type: none"> Council appraised of current situation and legal obligations Detective (checks actual implementation of Preventative Controls vs planned/required) <ol style="list-style-type: none"> Internal audit to check implementation of processes and practices Independent audit panel to check implementation and review mitigating documentation

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required – roll out 2. Improvement Required – implement and train staff 3. Improvement Required 4. Satisfactory (must deliver on promises) <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required - ongoing <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. Ineffective 7. Ineffective
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Dec 18 / - 2. Dir Inf / ongoing / - 3. GM / Dec 18 / - 4. GM / ongoing / must deliver <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / - <p>Mitigating</p> <ol style="list-style-type: none"> 6. GM / May 19 / - 7. GM / June 19 / initiate audit
Residual Likelihood:	Likely – One event in every 1 to 3 years
Residual Consequence:	<p>Safety: Short term impact on morale of staff – Medium</p> <p>Financial: Increase in overall budget by 10-20%. One off loss of up to \$2.5M. – Major</p> <p>Operations: Core services activities disrupted for up to 1 month – Major</p> <p>Reputation: Short term adverse National media coverage – Major</p> <p>Compliance: Significant prosecutions and fines – Catastrophic</p> <p>Environmental: Widespread severe impairment or loss of ecosystem across species and landscapes, irrecoverable environmental damage - Catastrophic</p>
Residual Risk Rating:	Likely – Major or Catastrophic – VERY HIGH
4. RISK EVALUATION	
Target Risk Rating:	Unlikely – Minor – LOW
Risk Decision:	REDUCE – Risk level not currently acceptable.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Development and effective implementation of a robust environmental management policy, strategy, compliance system and review process.</p>
Action Owner:	GM / Dec 18
Action Notes:	...
6. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.6. Financial Sustainability Risk

1. RISK CONTEXT	
Council Objective:	<i>Manage Council assets and activities efficiently, cost effectively and sustainably</i>
Department:	<i>Corporate and Community Services</i>
Source of Risk:	<i>External.</i>
2. RISK IDENTIFICATION	
Risk Name:	<i>Loss of financial support</i>
Risk Description:	<i>The risk of KIC not being financially sustainable due to significant reduction in financial support or increase in costs (currently 49% external).</i>
Risk Owner:	<i>Director of CCS (reporting to the GM)</i>
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>Change in state level political agenda and priorities affecting KIC funding.</i> 2. <i>Annual budget overspent due to poor planning and practices lead to inability to deliver services required within allocated budget.</i> 3. <i>Change in KI Council leading to change in priorities / approach.</i> 4. <i>Significant investment in infrastructure (re Asset Management risk).</i> 5. <i>Costs continue to outstrip income / funding.</i>
Consequence(s):	<ol style="list-style-type: none"> 1. <i>Reduction in range and/or level of services KIC is able to deliver.</i> 2. <i>Staff reduction to meet budget – impact on core and support activities</i> 3. <i>Loss of key staff including General Manager</i> 4. <i>Closure of one or more facilities – impact on core service delivery</i> 5. <i>Staff morale adversely affected</i> 6. <i>Impact of all of above on efficiency and effectiveness of service delivery.</i> 7. <i>Loss in confidence in the Council due to inability to deliver some core services to required standards due to loss of state government funding.</i>
Inherent Likelihood:	<i>Almost Certain</i> – Event expected to occur in most circumstances – One or more events every year
Inherent Consequence:	<p><i>Safety: widespread impact on morale – Major</i></p> <p><i>Financial: Recurrent reduction in budget of >1.4M – Catastrophic</i></p> <p><i>Operations: Core service activities interrupted for up to 1 month – Major</i></p> <p><i>Reputation: Short adverse national media coverage – Major</i></p> <p><i>Compliance: Significant prosecution and fines – Catastrophic</i></p> <p><i>Environmental: Long term permanent damage to natural environment - Major</i></p>
Inherent Risk Rating:	<i>Almost Certain – Major or Catastrophic – VERY HIGH</i>
Current Controls:	<p><i>Preventative</i></p> <ol style="list-style-type: none"> 1. <i>Appropriate Policies, processes and procedures in place.</i> 2. <i>Redesign of the budget preparation and approval process - introduction of prudent consistent financial management and planning practices.</i> 3. <i>Introduction of ERP system to facilitate effective data management and reporting.</i> 4. <i>Delivering within Council approved budget.</i> <p><i>Mitigating</i></p> <ol style="list-style-type: none"> 5. <i>Stakeholder communications and management plan -</i> <p><i>Detective (checks actual implementation of Preventative Controls vs planned/required)</i></p> <ol style="list-style-type: none"> 6. <i>Internal audit to check implementation of processes and practices</i> 7. <i>Independent audit to check implementation and review mitigating</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required - ongoing 2. Improvement Required - ongoing 3. Improvement Required 4. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required- <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. Improvement Required 7. Improvement Required
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Oct 18 / - 2. Dir CCS / Oct 18 / - 3. GM / ongoing / - 4. GM / Dec 18 / - <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / develop and circulate Plan - <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. GM / Jun 19 / - 7. GM / May 19 / -
Residual Likelihood:	Possible – One event in every 3 to 10 years
Residual Consequence:	<p>Safety: Widespread impact on morale – Major</p> <p>Financial: Recurrent reduction in budget of >1.4M – Catastrophic</p> <p>Operations: Core service activities interrupted for up to 1 month – Major</p> <p>Reputation: Short adverse national media coverage – Major</p> <p>Compliance: Significant prosecution and fines – Catastrophic</p> <p>Environmental: Long term permanent damage to natural environment - Major</p>
Residual Risk Rating:	Possible – Major or Catastrophic – HIGH
4. RISK EVALUATION	
Target Risk Rating:	Unlikely - Minor – LOW
Risk Decision:	REDUCE – Risk level not currently acceptable. Impacts core and support activities.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Development and effective implementation of a robust financial management policy, strategy and review system.</p>
Action Owner:	GM (Dir CSS) / Oct 18
Action Notes:
6. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.7. Organisational Risk

1. RISK CONTEXT	
Council Objective:	6. "Provide high-quality professional governance, advocacy and leadership together with effective administration of Council resources"
Department:	<i>Both Infrastructure / Corporate and Community Services</i>
Source of Risk:	<i>Internal.</i>
2. RISK IDENTIFICATION	
Risk Name:	<i>Capacity, capability and culture</i>
Risk Description:	<i>The risk of being unable to deliver core and support activities due to inadequate capacity, capability and poor culture.</i>
Risk Owner:	<i>General Manager</i>
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>Poor legacy organisational design.</i> 2. <i>Inadequate capacity in responsible positions</i> 3. <i>Inadequate mix of skillsets and capabilities</i> 4. <i>Inappropriate working behavior / practice demonstrated by some staff.</i>
Consequence(s):	<ol style="list-style-type: none"> 1. <i>Lack of appropriate resources to deliver combination of business as usual activities and additional planning and upskilling.</i> 2. <i>Unable to execute core activities.</i> 3. <i>Poor culture and lack of teamwork.</i> 4. <i>Work practices ineffective and inefficient.</i>
Inherent Likelihood:	Almost Certain – Event expected to occur in most circumstances – One or more events every year
Inherent Consequence:	<p><i>Safety: Widespread impact on morale with internal complaints requiring investigation – Major</i></p> <p><i>Financial: --</i></p> <p><i>Operations: Support activities disrupted for up to 1 month – Medium</i></p> <p><i>Reputation: Local media coverage – Medium</i></p> <p><i>Compliance: Breaches of legislation resulting in fines and legal action – Major</i></p> <p><i>Environmental: Medium term impact - Medium</i></p>
Inherent Risk Rating:	Almost Certain – Major – VERY HIGH
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. <i>Organisational redesign almost completed by GM</i> 2. <i>Introduction of appropriate policies, processes and procedures</i> 3. <i>Staff changes in key roles in progress</i> 4. <i>Regular staff appraisals to identify skills gaps and prioritise training needs</i> 5. <i>Training provided as required</i> <p>Mitigating</p> <ol style="list-style-type: none"> 6. <i>Introduction of appropriate policies, processes and procedures</i> <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 7. <i>Internal audit to check implementation of processes and practices</i> 8. <i>Independent audit to check implementation and review mitigating documentation (completeness and appropriateness)</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required 3. Improvement Required 4. Improvement Required 5. Satisfactory <p>Mitigating</p> <ol style="list-style-type: none"> 6. Improvement Required <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 7. Improvement Required 8. Improvement Required
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Oct 18 / - 2. GM / Oct 18 / - 3. GM / ongoing / - 4. GM / Dec 18 / Dir Inf audit underway 5. GM / ongoing / - <p>Mitigating</p> <ol style="list-style-type: none"> 6. GM / Dec 18 / develop and circulate <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 7. GM / Oct 18 / - 8. GM / Dec 18 / -
Residual Likelihood:	Likely – One event in every 1 to 3 years
Residual Consequence:	<p>Safety: Widespread impact on morale with internal complaints requiring investigation – Major</p> <p>Financial: --</p> <p>Operations: Support activities disrupted for up to 1 month – Medium</p> <p>Reputation: Local media coverage – Medium</p> <p>Compliance: Ongoing legal issues – Medium</p> <p>Environmental: Medium term impact – Medium</p>
Residual Risk Rating:	Likely – Major – HIGH
4. RISK EVALUATION	
Target Risk Rating:	Unlikely Minor – LOW
Risk Decision:	REDUCE – Risk level not currently acceptable. No outsourcing options. Activities are core to service delivery.
5. RISK TREATMENT	
Treatment Action Plan:	Develop TAP asap. Organisational design review to enable the effective delivery of Council services.
Action Owner:	GM / Dec 18
Action Notes:	-
6. MONITOR AND REVIEW	
Status of Controls:	Pending / Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.8. Operational Risk

1. RISK CONTEXT	
Council Objective:	2. <i>Support our population and future growth through public infrastructure, services, land use and development strategies that create a connected, sustainable and accessible community"</i>
Department:	<i>Infrastructure and CSS department</i>
Source of Risk:	<i>Internal.</i>
3. RISK IDENTIFICATION	
Risk Name:	<i>Non-deliver of core services</i>
Risk Description:	<i>The risk that KIC are unable to deliver core activities to the standards demanded by the community due to unrealistic (misinformed) community expectations and inadequate delivery team.</i>
Risk Owner:	<i>General Manager</i>
4. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>Poor working behavior / practice</i> 2. <i>Lack of adequate training (process, individual and team)</i> 3. <i>Community has unrealistic expectations of KIC objectives and/or KPI's</i> 4. <i>Poor communications and stakeholder engagement</i>
Consequence(s):	<ol style="list-style-type: none"> 2. <i>Complaints and possible fines</i> 3. <i>Negative impact on reputation of Council, staff and Councilors</i> 4. <i>Pressure on GM to justify and correct the situation</i> 5. <i>Community is not (mis) informed re KIC role, objectives, operations and priorities leading to unrealistic expectations</i>
Inherent Likelihood:	<i>Likely – Event will probably occur in most circumstances – One event in every 1 to 3 years</i>
Inherent Consequence:	<p><i>Safety: Widespread impact on morale – Major</i></p> <p><i>Financial: One off loss of up to \$2.5M – Major</i></p> <p><i>Operations: Core service activities disrupted for up to 1 month – Major</i></p> <p><i>Reputation: Short term adverse national media coverage – Major</i></p> <p><i>Compliance: Breaches in legislation resulting in fines – Major</i></p> <p><i>Environmental: -</i></p>
Inherent Risk Rating:	<i>Likely – Major – HIGH</i>
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. <i>Personal skills and plant and equipment aligned to support effective service delivery</i> 2. <i>Regular staff appraisals to identify skills gaps and prioritise training needs and training provided as required</i> 3. <i>Appropriate plant and equipment provided and well maintained</i> 4. <i>Stakeholder communications and engagement plan</i> <p>Mitigating</p> <ol style="list-style-type: none"> 5. <i>Stakeholder communications and engagement plan</i> <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 6. <i>Internal audit to check implementation of processes and practices</i> 7. <i>Independent audit to check implementation and review mitigating documentation</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required 3. Improvement Required 4. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. Improvement Required 7. Improvement Required
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Dec 18 / ... 2. Dir Inf / Oct 18 / ... 3. GM / ongoing / ... 4. GM / Dec 18 / ... <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / ... <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. GM / May 19 / ... 7. GM / May 19 / ...
Residual Likelihood:	Possible – One event in every 1 to 3 years
Residual Consequence:	<p>Safety: Widespread impact on morale – Major</p> <p>Financial: One off loss of up to \$2.5M – Major</p> <p>Operations: Core service activities disrupted for up to 1 month – Major</p> <p>Reputation: Short term adverse national media coverage – Major</p> <p>Compliance: Breaches in legislation resulting in fines – Major</p> <p>Environmental: -</p>
Residual Risk Rating:	Possible – Major – HIGH
5. RISK EVALUATION	
Target Risk Rating:	Unlikely Minor – LOW
Risk Decision:	REDUCE – Risk level not currently acceptable.
6. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Comprehensive resourcing review (personnel/equipment/materials) to enable the effective delivery of Council services.</p>
Action Owner:	GM / Dec 18
Action Notes:	...
7. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.9. Information Security Risk

1. RISK CONTEXT	
Council Objective:	6. "Provide high-quality professional governance, advocacy and leadership together with effective administration of Council resources"
Department:	<i>Corporate and Community Services</i>
Source of Risk:	<i>Internal and external</i>
2. RISK IDENTIFICATION	
Risk Name:	<i>Information security risk</i>
Risk Description:	<i>The risk of a loss of information that impacts the delivery of core services due to poor information management.</i>
Risk Owner:	<i>General Manager</i>
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>No electronic document management system to capture</i> 2. <i>Loss of historic documents</i> 3. <i>Cyber attack / security breach</i> 4. <i>Confidentiality breach</i> 5. <i>No information management (security) and confidentiality policy or Business Continuity Plan</i>
Consequence(s):	<p>Consequences described qualitatively to gain a full understanding of the impacts if the event/incident was to occur.</p> <ol style="list-style-type: none"> 1. <i>Loss of organisational knowledge when staff leave</i> 2. <i>Poor practices by staff and Council</i> 3. <i>Capability to deliver core service adversely affected</i> 4. <i>Critical information lost or corrupted</i> 5. <i>Additional resources required to provide capability and capacity</i>
Inherent Likelihood:	<i>Likely – Event will probably occur in most circumstances – One event every 1 to 3 years.</i>
Inherent Consequence:	<p><i>Safety: Short term impact on morale – Medium</i></p> <p><i>Financial: One off loss of up to \$1M – Medium</i></p> <p><i>Operations: Core service activities disrupted for up to 1 month – Major</i></p> <p><i>Reputation: Short term adverse National Media coverage – Major</i></p> <p><i>Compliance: Breaches of legislation resulting in fines – Major</i></p> <p><i>Environmental: -</i></p>
Inherent Risk Rating:	<i>Likely – Major –HIGH</i>
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. <i>Introducing new policy and procedures</i> 2. <i>Developing IT Strategy</i> 3. <i>New ERP system being implemented</i> 4. <i>Electronic Document Management system being appraised</i> <p>Mitigating</p> <ol style="list-style-type: none"> 5. <i>Stakeholder Communications and Engagement plan being developed</i> <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 6. <i>Internal audit to check implementation of new policy</i> 7. <i>Independent audit panel to check implementation and review mitigating documentation</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required 3. Improvement Required 4. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. Improvement Required 7. Improvement Required
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Dec 18 / ... 2. GM / Dec 18 / ... 3. GM / Dec 18 / ... 4. GM / Dec 18 / ... <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / ongoing <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. GM / May 19 / ... 7. GM / June 19 / engage with Audit Panel
Residual Likelihood:	Likely – One event in every 1 to 3 years
Residual Consequence:	<p>Safety: Short term impact on morale – Medium</p> <p>Financial: One off loss of up to \$1M – Medium</p> <p>Operations: Core service activities disrupted for up to 1 month – Major</p> <p>Reputation: Short term adverse National Media coverage – Major</p> <p>Compliance: Breaches of legislation resulting in fines – Major</p> <p>Environmental: -</p>
Residual Risk Rating:	Likely – Major – HIGH
4. RISK EVALUATION	
Target Risk Rating:	Possible – Medium – MODERATE
Risk Decision:	REDUCE – Risk level not currently acceptable.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Including develop a Business Continuity Plan</p>
Action Owner:	GM / Dec 18
Action Notes:	...
6. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.10. Governance Risk

1. RISK CONTEXT	
Council Objective:	<i>6. Governance and Organisational Development: Provide high-quality professional governance, advocacy, and leadership together with effective administration of Council resources</i>
Department:	<i>Infrastructure and/or Corporate and Community Services</i>
Source of Risk:	<i>Internal</i>
2. RISK IDENTIFICATION	
Risk Name:	Poor governance practices
Risk Description:	The risk of legal/financial exposure and reduced community confidence due to poor organisational governance.
Risk Owner:	General Manager
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>Lack of defined procedures and structured processes</i> 2. <i>Lack of staff awareness of requirements</i> 3. <i>Failure to engage external legal advice / specialists where appropriate</i>
Consequence(s):	<ol style="list-style-type: none"> 1. <i>Rate payers / prospective developers / regulatory bodies</i> 2. <i>Legal suits continue and increase</i> 3. <i>Financial loss or damage</i> 4. <i>Reputation damage</i>
Inherent Likelihood:	Almost Certain – the event is expected to occur in most circumstances. One or more events each year.
Inherent Consequence:	<p><i>Safety: –</i></p> <p><i>Financial: Increase in overall budget by 10-20% – Major</i></p> <p><i>Operations: Support activities disrupted for up to 1 month – Medium</i></p> <p><i>Reputation: Short term adverse National media coverage or significant State level coverage – Major</i></p> <p><i>Compliance: Repeated major breaches. Significant prosecution and fines. – Catastrophic</i></p> <p><i>Environmental: –</i></p>
Inherent Risk Rating:	Almost Certain – Major or Catastrophic – VERY HIGH
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. <i>Monthly reporting requirement to Council</i> 2. <i>Refined role definition of relevant staff and responsibilities</i> 3. <i>Organisational redesign being planned – ensuring wholistic accountability management</i> 4. <i>Compliance management program implemented</i> <p>Mitigating</p> <ol style="list-style-type: none"> 5. <i>GM approach nearly implemented weekly GM reporting process</i> 6. <i>Agreements with external advisors</i> <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 7. <i>External Audit Panel oversight</i> 8. <i>Periodic Audit General audits (6 monthly)</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Satisfactory 2. Improvement Required 3. Improvement Required 4. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required 6. Improvement Required <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 7. Improvement Required 8. Satisfactory
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Dec 18 / - 2. GM / Dec 18 / process being rolled out 3. GM / Dec 18 / update being planned 4. GM / Dec 18 / - <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / ongoing - review 6. GM / Dec 18 / establish <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 7. GM / Dec 18 / - 8. GM / Dec 18 / Liaise with AG
Residual Likelihood:	Possible – One event in every 3 to 10 years
Residual Consequence:	<p>Safety: –</p> <p>Financial: Increase in overall budget by 10-20% – Major</p> <p>Operations: Support activities disrupted for up to 1 month – Medium</p> <p>Reputation: Short term adverse National media coverage or significant State level coverage – Major</p> <p>Compliance: Breaches or legislation resulting in fines, major legal action extended period. – Major</p> <p>Environmental: –</p>
Residual Risk Rating:	Possible – Major – HIGH
4. RISK EVALUATION	
Target Risk Rating:	Unlikely – Minor – LOW
Risk Decision:	REDUCE – Risk level not currently acceptable.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Develop and implement best practice processes and procedures to ensure the appropriate ethical, legal and information management requirements.</p> <p>Organisational redesign. Role and accountability definition. Structured organisational communications and reporting plan.</p>
Action Owner:	GM / 30 Oct 18
Action Notes:	-
6. MONITOR AND REVIEW	
Status of Controls:	Pending / Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.11. Community Engagement Risk

1. RISK CONTEXT	
Council Objective:	<i>1. Community Wellbeing: Create a sustainable, resilient and adaptable community; through utilising community development strategies.</i>
Department:	<i>Infrastructure and/or Corporate and Community Services</i>
Source of Risk:	<i>External.</i>
2. RISK IDENTIFICATION	
Risk Name:	<i>Ineffective community consultation and engagement.</i>
Risk Description:	<i>The risk of reduced community confidence and value, destroying resource allocation especially to low priority matters due to insufficient or ineffective community consultation and communication on key issues.</i>
Risk Owner:	<i>General Manager</i>
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. Nil community engagement 2. Lack of community engagement strategy Poor strategy for specific subjects 3. Inadequate mediums used to engage the community 4. Strict adherence to Tasmania Local Govt Act which requires no engagement on majority matters 5. Unique island culture and historical relationship with Council
Consequence(s):	<ol style="list-style-type: none"> 1. Community discontent 2. Legal exposure 3. Positioning projects for failure 4. Lack of community education resulting in poor behaviours / practices
Inherent Likelihood:	Almost Certain – The event is expected to occur in most circumstances. One or more events each year.
Inherent Consequence:	<p>Safety: –</p> <p>Financial: Increase in overall budget by 3-10% – Medium</p> <p>Operations: Support activities disrupted for up to 1 week – Minor</p> <p>Reputation: Significant and well publicised outcry from residents and public – Major</p> <p>Compliance: –</p> <p>Environmental: –</p>
Inherent Risk Rating:	Almost Certain – Major – HIGH
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Appointment of Communications Manager 2. Media engagement controls established for organisation 3. New project implementation planning consideration includes community engagement 4. Utilising community radio opportunities to communicate key messages to the community <p>Mitigating</p> <ol style="list-style-type: none"> 5. Media engagement controls established for organisation 6. Media and community response plan <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 7. Audit panel review

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required 3. Satisfactory 4. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required 6. Improvement Required <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 7. Improvement Required
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Oct 18 / ongoing 2. GM / Dec 18 / process rolled out 3. GM / Dec 18 / ongoing 4. GM / Dec 18 / ongoing <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / - 6. GM / Dec 18 / - <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 7. GM / Dec 18 / -
Residual Likelihood:	Likely – One event in every 1 to 3 years
Residual Consequence:	<p>Safety: –</p> <p>Financial: Increase in overall budget by 3-10% – Medium</p> <p>Operations: Support activities disrupted for up to 1 week – Minor</p> <p>Reputation: Significant and well publicised outcry from residents and public – Major</p> <p>Compliance: –</p> <p>Environmental: –</p>
Residual Risk Rating:	Likely – Major – HIGH
4. RISK EVALUATION	
Target Risk Rating:	Possible – Medium – MODERATE
Risk Decision:	REDUCE – Risk level not currently acceptable.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Develop and implement an appropriate community engagement strategy, plan and process, consistent with best practice.</p>
Action Owner:	GM / 1 Oct 18
Action Notes:	-
6. MONITOR AND REVIEW	
Status of Controls:	Pending / Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.12. Political Risk

1. RISK CONTEXT	
Council Objective:	1. Governance and Organisational Development: Provide high-quality professional governance, advocacy, and leadership together with effective administration of Council resources
Department:	Infrastructure / Corporate and Community Services
Source of Risk:	External
2. RISK IDENTIFICATION	
Risk Name:	Changes in political priorities.
Risk Description:	The risk of the Council's current strategic direction not being supported at Federal, State and Local Government levels due to changes in political agenda / priorities at any level.
Risk Owner:	General Manger (Chairman?)
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. Lack of government long term view - tactical focus rather than strategic focus. 2. Changing and inconsistent council leadership 3. Unified council
Consequence(s):	<ol style="list-style-type: none"> 1. Changes (decreases) to funding levels and priorities. 2. Strategic priorities change requiring another organisation design (and recruitment drive) – expensive and time consuming. 3. Current decisions need to be revisited with additional resources (re)allocated. 4. Negative impact on staff morale 5. Impact on deliver of core and support activities 6. Potential loss of key staff including General Manager
Inherent Likelihood:	Likely – The event will probably occur in most circumstances. One event every 1 to 3 years.
Inherent Consequence:	<p>Safety: Short term impact on morale. – Medium</p> <p>Financial: Recurrent reduction in budget of >\$1.4M. Increase in budget by 10-20%. – Catastrophic</p> <p>Operations: Support activities disrupted for up to 1 month. Core disrupted up to 1 week. – Medium</p> <p>Reputation: Concern from broad section of residents. Major local media coverage – Medium</p> <p>Compliance: –</p> <p>Environmental: Temporary impact of amenity of large number of residents – Medium</p>
Inherent Risk Rating:	Almost Certain – Catastrophic – VERY HIGH
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Engaging with key government stakeholders at all levels. 2. Briefing sessions for Councilors. 3. Utilising community radio opportunities to communicate key messages to the community 4. Flexible work practices to increase resilience to changes. <p>Mitigating</p> <ol style="list-style-type: none"> 5. Community Communications and Engagement Plan being developed. 6. Engaging with key government and media stakeholders. <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 7. Audit Panel review.

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required 3. Satisfactory 4. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 5. Improvement Required <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. Improvement Required
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Dec 18 / ongoing 2. GM / Dec 18 / ongoing 3. GM / Oct 18 / ongoing 4. GM / Dec 18 / - <p>Mitigating</p> <ol style="list-style-type: none"> 5. GM / Dec 18 / - 6. GM / Dec 18 / ... <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 7. GM / Dec 18 / ...
Residual Likelihood:	Possible – One event in every 3 to 10 years
Residual Consequence:	<p>Safety: Short term impact on morale – Medium</p> <p>Financial: Recurrent reduction in budget of \$700k to \$1.4M. – Major</p> <p>Operations: Support activities disrupted for up to 1 month. Core disrupted up to 1 week. – Medium</p> <p>Reputation: Concern from broad section of residents. Major local media coverage – Medium</p> <p>Compliance: –</p> <p>Environmental: Temporary impact of amenity of large number of residents – Medium</p>
Residual Risk Rating:	Possible - Major – HIGH
4. RISK EVALUATION	
Target Risk Rating:	Possible - Medium – MODERATE
Risk Decision:	REDUCE – Risk level not currently acceptable.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Effective and appropriate information sharing with each level of Government office to instill confidence and generate increased support</p>
Action Owner:	GM / Oct 18
Action Notes:	-
6. MONITOR AND REVIEW	
Status of Controls:	Pending / Action
Action:	TBC
Report:	TBC
Review:	Dec 18

3.13. Insurance Risk

1. RISK CONTEXT	
Council Objective:	2. <i>Infrastructure and Facilities: Support our population and future growth through public infrastructure, services, land use and development strategies that create a connected, sustainable and accessible community.</i>
Department:	<i>Infrastructure / Corporate and Community Services</i>
Source of Risk:	<i>Internal</i>
2. RISK IDENTIFICATION	
Risk Name:	Inadequate insurance cover for Council.
Risk Description:	The risk of critical legal or financial exposure due to inadequate or nil insurance cover for key Council assets/service activities.
Risk Owner:	General Manager
3. RISK ANALYSIS AND CONTROLS ASSURANCE	
Cause(s):	<ol style="list-style-type: none"> 1. <i>Lack of insurance strategy</i> 2. <i>Assets not valued appropriately – undervalued or not valued</i> 3. <i>Exposure of self-insuring strategy not fully understood / modeled</i> 4. <i>Insurance cover too expensive to hold with current budget.</i> 5. <i>Increasing risks to ageing assets due long-term underinvestment / maintenance.</i>
Consequence(s):	<ol style="list-style-type: none"> 1. <i>Uninformed / poor decision making.</i> 2. <i>Financial impact of uninsured event /loss.</i> 3. <i>Potential reputation damage as situation unfolds</i>
Inherent Likelihood:	<i>Likely – The event will probably occur in most circumstances. One event every 1 to 3 years.</i>
Inherent Consequence:	<p><i>Safety: Medium term negative impact on personal safety of staff and public – Medium</i></p> <p><i>Financial: One off loss of >\$2.5M – Catastrophic</i></p> <p><i>Operations: Core services disrupted for up to 1 month – Major</i></p> <p><i>Reputation: Significant and well publicised outcry from residents and public – Major</i></p> <p><i>Compliance: Ongoing legal issues that Council has not adequately addressed – Medium</i></p> <p><i>Environmental: Temporary impact on amenity of large number of residents - Medium</i></p>
Inherent Risk Rating:	<i>Likely – Catastrophic – VERY HIGH</i>
Current Controls:	<p>Preventative</p> <ol style="list-style-type: none"> 1. <i>Some insurance policies held.</i> 2. <i>Council finance fund established.</i> <p>Mitigating</p> <ol style="list-style-type: none"> 3. <i>Media engagement strategy and contacts</i> 4. <i>Emergency response plan</i> <p>Detective (checks actual implementation of Preventative Controls vs planned/required)</p> <ol style="list-style-type: none"> 5. <i>AG Audit to check appropriateness insurance cover.</i>

Control Effectiveness:	<p>Preventative</p> <ol style="list-style-type: none"> 1. Improvement Required 2. Improvement Required <p>Mitigating</p> <ol style="list-style-type: none"> 3. Improvement Required 4. Improvement Required <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 5. Satisfactory
Control Owner / Dates / Notes:	<p>Preventative</p> <ol style="list-style-type: none"> 1. GM / Dec 18 / - 2. GM / Dec 18 / - 3. GM / Dec 18 / - <p>Mitigating</p> <ol style="list-style-type: none"> 4. GM / Dec 18 / ... 5. GM / Dec 18 / ... <p>Detective (checks implementation of Preventative Controls)</p> <ol style="list-style-type: none"> 6. GM / Dec 18 / ...
Residual Likelihood:	Unlikely – One event in every 10 to 20 years.
Residual Consequence:	<p>Safety: Medium term negative impact on personal safety of staff and public – Medium</p> <p>Financial: One off loss of >\$1.5M – Major</p> <p>Operations: Core services disrupted for up to 1 month – Major</p> <p>Reputation: Significant and well publicised outcry from residents and public – Major</p> <p>Compliance: Ongoing legal issues that Council has not adequately addressed – Medium</p> <p>Environmental: Temporary impact on amenity of large number of residents - Medium</p>
Residual Risk Rating:	Unlikely – Major – MODERATE
4. RISK EVALUATION	
Target Risk Rating:	Unlikely – Minor – LOW
Risk Decision:	REDUCE – Risk level not currently acceptable.
5. RISK TREATMENT	
Treatment Action Plan:	<p>Develop TAP asap.</p> <p>Prepare situation paper regarding insurance cover.</p> <p>Update Asset management documentation and valuations – ongoing.</p>
Action Owner:	GM / Nov 18
Action Notes:	-
6. MONITOR AND REVIEW	
Status of Controls:	Action
Action:	TBC
Report:	TBC
Review:	Dec 18