



# Council Policy (WCC.020)

## RISK MANAGEMENT

**Responsible Officer:** GENERAL MANAGER

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## 1. PURPOSE

This policy provides a framework for Council oversight of strategic risk management.

## 2. SCOPE

This policy applies to Councilor's oversight of Risk Management activities.

## 3. POLICY

### 3.1 Introduction

Managing risk is an important part of achieving strategies. At the strategic level risk management involves providing guidance to the organisation on the level and type of risks it can take in order to meet objectives. It also involves assessing the key risks to the organisations ability to achieve strategic outcomes and determining ways to mitigate those risks.

### 3.2 Levels of Risk Management and Responsibility

Risk management occurs across organisations at different levels. This policy focuses on strategic risk management that is risks to achieving the strategies set for Council such as the *West Coast Community Plan 2025*.

**3.1.1. Risk Appetite:** Setting the risk appetite provides guidance to the organisation about the level of risk that it can take in different areas. This is important because while an organisation might want a low level of risk in some areas (such as safety) it could be willing to take a higher level of risk in others (program trials for example). It is the role of Councillors to set a Risk Appetite Statement (RAS) for Council. When Councillors approve a Risk Appetite Statement it will be an appendix to this policy.

**3.1.2. Strategic Risk Assessment:** Once a Risk Appetite Statement is in place, strategies, policies, and decisions should be assessed against it. This involves reviewing the strategy for example and determining if it has an acceptable level of risk in each area. If there is an area where the risk posed exceeds that in the Risk Appetite Statement mitigation measure should be designed. For Council endorsed strategies, policies and plans a draft assessment and mitigation will be presented, it is Councilor's responsibility to make and approve the assessment and to determine appropriate mitigation. Reports to Council meetings will include an assessment against the RAS and mitigation if required. For Corporate Policies and Plans the General Manager is responsible for approving the risk assessment and mitigation.

**3.1.3. Risk Registers:** To support risk management of regular Council operations Council will maintain a set of risk registers for key activities and buildings/facilities. This will be the Council Risk Register. Each key activity or building will have its own risk assessment for safety risks and risks in the RAS. Each will be reviewing at least every 24 months by the West Coast Council Safety Committee and the relevant department, before being presented to the General Manager for review and approval.

### 4. Risk Register

The Council Risk Register will include the following key activities and facilities:

- The West Coast Council Office and Chambers
- West Coast Council Depots and Employee Facilities
- Gyms
- Swimming Pools
- Sports Grounds
- Camping Grounds
- The West Coast Visitor Information Centre
- Landfill Activities
- On-Road Construction/Operational Activities
- Other Construction/Operational Activities
- MTB Trail Operations
- Aerodrome Operations.

The Council Risk Register will be made available for Councillors to inspect on request and included in monthly reporting including date last reviewed.

The Council Risk Register will assess risks based on the Risk Appetite Statement and will recommend mitigations to ensure safety risks are as low as reasonably practicable.

### 5. Appendices:

Appendix 1 – West Coast Council Risk Appetite Statement

Appendix 2 – Strategic Risk Register

## **APPENDIX 1**

### **WEST COAST COUNCIL RISK APPETITE STATEMENT**

Council's Risk Appetite Statement is set within the context of its Vision, Mission and Values:

#### **Our Vision**

We are a proud community. One that is connected, enjoys our lifestyle surrounded by our unique natural heritage, and works together for the benefit of residents, business owners and visitors to our stunning Region.

#### **Our Mission**

We will work together in partnership to provide and continually improve the facilities, services and infrastructure that will serve the needs of our communities.

#### **Our Values**

Our Vision is supported by Values that underpin the way we will work together to implement the West Coast Council Corporate Plan 2020-2030:

- Responsiveness
- Leadership
- Unity of purpose
- Partnership
- Respect and trust
- Consistency

#### **Roles & Responsibilities**

Councillors receive information about and make decisions on a wide range of matters. Councillors have both individual and collective roles to undertake, and their decisions are at a strategic level. Operational matters are the responsibility of the Council's General Manager, who is appointed by the Council.

The key roles and functions of council, councillors and staff are prescribed through the *Local Government Act 1993*

## Background

West Coast Council (Council) is a public entity, existing and administered under the direction of the Tasmanian Local Government Act 1993 and is responsible for the following functions:

- to provide for the health, safety and welfare of the community
- to represent and promote the interests of the community, and
- to provide for the peace, order and good government of the municipal area.
- In providing those functions, Council understands that during its normal operations, material risks that require mediation may occur in terms of finances, environment, health and safety of staff and the public, and the brand and operations of the organisation.
- The Council funds its operations mainly with the use of public money and is ultimately responsible to its community members. It therefore believes it should mostly hold a low appetite for unmanaged risk.

## Application of Our Risk Appetite

Council's Risk Appetite Statement expressly describes the level of risk Council will accept in carrying out its activities. Where risks are assessed as exceeding these tolerances:

- additional mitigations must be considered (treat); or
- the activity should be ceased (avoid); or
- Council approval should be sought to continue with the activity (escalate).

Where risk appetite metrics (as defined below) are not being met, Managers and Councillors must consider briefing Council on the emerging situation.

All Councillors, officers, contractors, and Council sub-committees will have regard to Council's Risk Appetite Statement in their decision making. As such the Risk Appetite Statement will become an essential part of Council's risk management framework.

This will enable Council to effectively assess its risks in planning and delivering its strategic and operational goods and services.

## What is Risk Appetite?

Risk appetite applies to the management of existing activities, as well as seeking out new opportunities. It is the responsibility of the Council, Management and Staff to continually review what the Council does, to investigate opportunities for improvement and new opportunities, and to take account of individual risks in decision-making.

The Risk Appetite Statement summarises Council's tolerance for risk in a range of activities undertaken. For example, Council's tolerance for risk in health and safety matters is very low. As such, a low-risk appetite for that category exists. On the other hand, tolerance for risk in community engagement is moderate as the Council is prepared to risk criticism through getting onto the "front foot" with its community engagement activities.

### Why have a defined Risk Appetite?

The Risk Appetite Statement is a written articulation of an organisation's risk appetite and guides Council staff in their daily roles. It serves to:

- facilitate a shared understanding of the acceptance of risk;
- establish a consistent view of the risk parameters in which Council operates;
- assist in resolving tensions in strategic planning development, budgeting and business plan priorities;
- provide guidance for the allocation of scarce resources when budgeting; and
- establish boundaries for risk management activities to determine whether further risk mitigation or risk transfer strategies are required (such as taking insurance cover).

The Risk Appetite Statement is dynamic and will be reviewed on a regular basis in conjunction with strategic planning reporting.

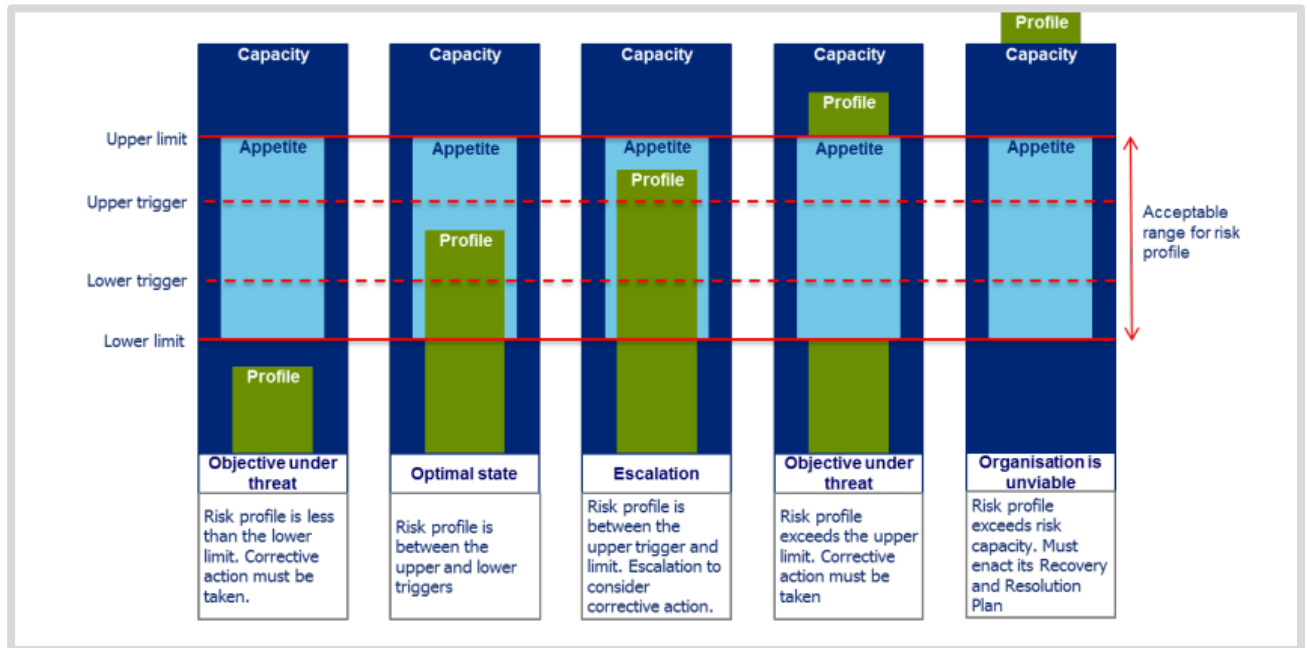
### Key Risk Appetite Concepts

Risk appetite is an interaction of an organisation's risk appetite, risk profile and capacity to take risks and absorb the financial and reputational implications from risk crystallization. Below are a number of important concepts and definitions when applying the risk appetite framework in risk management activities:

- **Risk profile** – Council's risk landscape reflecting the nature and scale of its risk exposures aggregated within and across each relevant risk category
- **Risk capacity** - the maximum level or 'ability' for Council to take risk in each risk category, while remaining within constraints implied by its capital and funding needs and its obligations to stakeholders
- **Risk appetite limits** (upper and lower) - the level of risk which, if breached by the Council's risk profile, would necessitate immediate escalation and corrective action
- **Risk appetite trigger** - the level of risk which, if breached by Council's risk profile, would necessitate immediate escalation and corrective action.

A risk appetite framework allows an organisation to identify and determine the relative positions of its risk capacity, risk profile and risk appetite when evaluating and pursuing its strategy as well as to take corrective action where necessary.

As illustrated below in each of the five states, the risk profile changes relative to its risk capacity and risk appetite.



## RISK APPETITE STATEMENT

This Risk Appetite Statement will be subject to annual review.

The Council's Strategic Objectives underpin the aspects covered in the Risk Appetite Statement below.

The Risk Appetite Statement is broadly articulated for key activities aligned to Council's risk categories, which enable the achievement of its strategic and operational objectives. The table below details the risk appetite descriptions established for each key activity identified.

Category	Appetite Statement
Council's Overall View of Risk	<p><b><i>Council has a LOW to MODERATE risk appetite across its operations.</i></b></p> <ul style="list-style-type: none"> <li>• Council is committed to creating a safe living and working environment for its staff and the community and has implemented a robust system of work practices, processes and controls across all of its operations to assist with these goals. However, Council recognises that due to the nature of its operations, facilities and responsibilities, some injuries will inevitably occur.</li> <li>• Council is a provider of important services to the community and regulates development activities within the municipality. It is aware of the potential for environmental impacts and endeavors to adopt a sustainable approach to all of its activities and the activities over which it presides. Council recognises that the West Coast community is complex and subject to many external factors beyond the Council's control or influence.</li> <li>• Council operates within the laws and regulatory framework to which it is subject and also has a role to play in enforcing these laws. Council has a <i>low-risk appetite</i> for allowing breaches to any of the laws and regulations over which it presides.</li> <li>• It is important to Council that its systems and services operate efficiently and effectively. Council notes that risks need to be effectively managed and balanced in this area to ensure sustainable delivery.</li> </ul>

Category	Appetite Statement
Council's Organisational Objectives and Strategy	<ul style="list-style-type: none"> <li>In order to achieve its objectives, Council must be willing to take and accept risk.</li> <li>The Council is willing to take or accept a <i>moderate to high level of risk</i> in pursuit of its strategic priorities.</li> <li>There is <i>low willingness to accept risks</i> which have no alignment with our strategic direction, harm Council's reputation, role in the community or core values.</li> </ul>

Category	Appetite Statement
Council Workforce and Contractor Health & Safety	<ul style="list-style-type: none"> <li>The willingness and appetite to accept risks to the health, safety and wellbeing of staff and contractors undertaking any work engagement with WCC is very low. However, it is not Council's intention to avoid inherently risky activities which are part of running core operations.</li> <li>Council is committed to creating a safe living and working environment for its staff and the community and has implemented a robust system of work practices, processes and controls across all of its operations to assist with these goals. However, Council recognises that due to the nature of its operations, facilities and responsibilities, some injuries will inevitably occur.</li> <li>A strong culture of health and safety awareness and risk management is expected of all staff and of our contractors. This includes a strong appetite for identifying and managing health and safety risks to the very best extent possible.</li> <li>Council has a <i>low-risk appetite</i> for injury to members of the public and staff. Council has a target risk of zero, wanting all persons to arrive home safely each day. However, Council recognises that incidents happen and reflects this in the low tolerance rating stated.</li> <li>Council will manage staff and contractor risks via good record keeping, best practice induction processes and ongoing training and supervision.</li> </ul>

Category	Appetite Statement
Council Culture and Compliance	<ul style="list-style-type: none"> <li>• Council aims for full compliance with legislation, regulations and professional standards. This includes laws and regulations that Council administers. Council has NO tolerance for illegal activities including fraud and corruption. Council will achieve this through strong governance and management which will shape our culture for compliance, ethical conduct and living our adopted values.</li> <li>• Council has a <i>very low risk appetite</i> for misconduct, fraud, harassment or discrimination and non-compliant behaviour that undermines integrity and the trust of our community.</li> <li>• Council has a <i>low-risk appetite</i> for non-compliance with external regulation and legislation which is to be monitored and well understood by our staff and contractors and documented using best practice Council reporting.</li> <li>• Council recognizes its obligations regarding Equal Opportunity in the Workplace and aims to be a model employer. This will help with staff retention and genuine community leadership in diversity and female participation in the workforce.</li> <li>• All complaints to the Local Government Ombudsmen will be actioned within legislated timeframes subject to resourcing.</li> <li>• All Right to Information requests will be actioned within the legislated timeframes subject to resourcing.</li> </ul>

Category	Appetite Statement
Environment and Sustainability	<ul style="list-style-type: none"> <li>• Council has a <i>moderate risk appetite</i> for environmental and sustainability risks. It recognises its operations have an environmental impact but seeks to minimise these impacts. Council aims to fully comply with its regulatory obligations regarding sustainable development.</li> <li>• Council is committed to monitor the recreational waterways within the Municipality to ensure the safety of all users. This will be done through a strong focus on wastewater and storm water treatment and management.</li> <li>• 100% of development applications will be assessed to ensure compliance with environmental legislation.</li> <li>• Council will comply with all of its Environmental Protection Notice obligations.</li> </ul>

Category	Appetite Statement
Council Reputation	<p>Council has a <i>low risk appetite</i> for reputational risk.</p> <ul style="list-style-type: none"> <li>• Council notes that at times it is necessary to make the “right” decision and not the “most popular” decision. Council is focused on developing prudent, sound and consistent policy.</li> <li>• Council is conscious that it acts to support various community interest groups with disparate aims and in that context, acknowledges that it cannot satisfy all interests all of the time.</li> </ul>

Category	Appetite Statement
Community Engagement	<ul style="list-style-type: none"> <li>• Council is willing to take <i>moderate risks</i> that will drive community engagement and increase the well-being of the West Coast regional community. Council has a <i>moderate risk appetite</i> to contribute to public policy discussions with government and provide equitable access to critical and important community services.</li> </ul>

Category	Appetite Statement
Council's Finances	<ul style="list-style-type: none"> <li>• Council needs to remain financially sustainable to continue to meet our mission and achieve core objectives. Therefore, the Council has a <i>low-risk appetite</i> for irresponsible use of funds or cost overruns when funding business as usual (BAU) programs.</li> <li>• Council has a <i>moderate risk appetite</i> to explore avenues to diversify revenue streams through commercially viable arrangements and partnerships. This equates to expending up to 5% of annual Budget expenditure on revenue development activities, which can include ratepayer expansion encouragement, including through offering short term rate revenue discounts/relief.</li> </ul>

Category	Appetite Statement
Delivery of Council Services & Capabilities	<ul style="list-style-type: none"> <li>• Due to the nature and importance of Council activities and services, Council has a <i>moderate risk appetite</i> for business interruptions to operations. Whilst the ability to support operations on a day-to-day basis is important, Council has a <i>moderate risk appetite</i> for change aimed at ensuring the right resources, staff capabilities and organisational structure are in place to optimize performance.</li> </ul>

Category	Appetite Statement
<p><b>Council Business Services Continuity (DRP and BCP)</b></p>	<ul style="list-style-type: none"> <li>• Council has a <i>moderate risk appetite</i> for business disruption. Council acknowledges that severe and unexpected events and risks are possible and seeks to minimise disruption where possible. These potential, possible and sometimes certain events are noted to include severe weather, flooding, bushfire, or cyber events, which are to a large extent outside Council's direct control.</li> <li>• Council strives to provide continued and uninterrupted core services to our customers during normal conditions, usually through moderate conditions and on a best endeavors</li> <li>• basis under severe conditions.</li> <li>• Council aims to operate effectively as a core provider of services in wider municipal operations and as a foundation pillar in disaster recovery and business continuity planning. Council recognises the need to ensure its Key Management Personnel team is in place and ready at all times to assist with community DCP and BCP operational matters.</li> </ul>

## APPENDIX 2 – WEST COAST COUNCIL STRATEGIC RISK REGISTER



# **West Coast Council Strategic Risk Register**

**January 2023**

### **Record**

West Coast Council Strategic Risk Register

### **Purpose**

The West Coast Council's Strategic Risk Register has been implemented to ensure that:

- Risks are identified;
- Risks are assessed;
- The effectiveness of existing controls is evaluated;
- Residual risk is assessed;
- Risk treatment options are considered;
- Actions are determined and prioritised; and
- Action plans are implemented.

### **Scope**

The Risk Register covers strategic risks relating to the West Coast Council.

The register has been compiled from data sourced through:

- Consultation workshops with key stakeholders;
- Validating against known categories / types of risks; and
- Researching risks of comparative local government bodies.

### **Standard**

The Risk Register is based on the requirements of Australian Standard ISO 31000:2018 Risk Management Guidelines

### **Review**

The Register is to be reviewed as required by the Councillors, General Manager and Management team annually as part of the review process.

### **Responsibilities**

The Councillors, General Manager and Management Team are responsible for ensuring that:

- Risks are identified and assessed;
- Treatment options are prioritised and implemented;
- Actions are assigned; and
- Performance is monitored and reviewed;

The General Manager is responsible for:

- Providing advice and support with regard to risk identification, risk assessment and risk treatment;
- Entering risks into the strategic risk register; and
- Presenting reports to the Council's Audit Panel and Management Team as required.

## Strategic Risk Summary

Strategic Risk 1: Failure to adhere to principles of good governance and decision making	0	0	0	0	0	0	0	0	0
Strategic Risk 2: Failure to plan and prepare for change	0	0	0	0	0	0	0	0	0
Strategic Risk 3: Failure to engage and retain competent and qualified staff and support the development of people	0	0	0	0	0	0	0	0	0
Strategic Risk 4: Failure to maintain a safe and healthy workplace and safe systems of work	0	0	0	0	0	0	0	0	0
Strategic Risk 5: Failure to be prepared for a municipal emergency and subsequent recovery	0	0	0	0	0	0	0	0	0
Strategic Risk 6: Failure to maintain and protect data and information systems	0	0	0	0	0	0	0	0	0
Strategic Risk 7: Failure to develop and maintain a positive relationship with the community	0	0	0	0	0	0	0	0	0
Strategic Risk 8: Failure to plan and prepare for a sustainable economic future	0	0	0	0	0	0	0	0	0
Strategic Risk 9: Failure to plan, manage and provide oversight of the Council's finances	0	0	0	0	0	0	0	0	0
Strategic Risk 10: Failure to plan for, develop and maintain a sustainable infrastructure	0	0	0	0	0	0	0	0	0
Strategic Risk 11: Failure to prepare and plan for environmental risk	0	0	0	0	0	0	0	0	0

## Strategic Risk 1: Failure to adhere to principles of good governance and decision making

### Root Causes in Governance

Strategic Risk Status / Last review	Cause	Item	Consequence	Likelihood	Initial Risk Rating	Existing Risk Treatments / Preventative Control Measures <sup>1</sup>	Residual Risk Rating	Further Controls	Who	When	Overall Risk
1,05,0000	1. The role of Council meeting decisions based on professional advice and not in accordance with professional advice.	The Council (Council) does not follow professional advice and makes a decision in accordance with professional advice. Potential adverse consequences from a political, legal or economic point of view.	Higher	Possible	H	Council follows current processes (including external advice) in their deliberations and decision making. Adherence to and consideration of the strategic plan and annual plan (and other planning documents) in all decision making.	H				
1,05,0000	1.1. Failure of the Council to make community representation, or to respond to any petition and feedback on issues for decision making.	Inadequate communication and consultation with the community over issues of concern. Lack of consultation of the community in Council decision making and community concern.	Medium	Possible	M	Hold the Council's Community Events. Council Meetings - public question time. Community feedback. Update and social media updates.	M				
1,05,0000	1.2. Failure of Council to make responsible for strategic risk management.	Council does not consider risk appetite assessment and strategic risk generally when making decisions. Candidates involved are not aware of the risks of their and others are consequences of their decisions that are not considered.	Lower	Unlikely	L	Risk appetite assessment is considered in Council decision making (this applies to compliance to use). Consideration of risk parameters of Council decision making.	L				
1,05,0000	1.3. Failure of Council to maintain the strategic plan for the strategic risk management plan.	Council decision making to resolve and address and does not consider the strategic direction (approved strategic direction is not maintained and strategic plan is not followed. Community concern over lack of Council direction.	Lower	Unlikely	L	Council decision making is based on the strategic plan. Adherence to Council decision making in order to ensure adherence with the strategic plan.	L				
1,05,0000	1.4. Failure of Council to follow due process before addressing or supporting a particular issue.	Council decision making does not consider the issue thoroughly. Council decision making to resolve issue of strategic risk management. Council plan objectives are not met.	Lower	Possible	M	Council takes advice of professional and in decision making. Council takes the current response plan when making decisions.	M				
1,05,0000	1.5. Failure to ensure that there are policies, procedures and systems in place to ensure compliance with legislation and other requirements.	Lack of adherence to legislative and other requirements. Policies and procedures. Procedures are not followed.	Medium	Unlikely	M	Regular review of policies and procedures (and reporting to Council and Audit Panel). Audit and advice, professional development on how to follow relevant policies and procedures.	M				
1,05,0000	1.6. Failure of Council to successfully negotiate the impact of Local Government reform in Tasman.	Local government reform is not negotiated with the Local Government, but is imposed on the Local Government. Possible consequences with other local government areas resulting in loss of resources for the Local Government.	Higher	Possible	H	Inform awareness of all staff reports and other documents relating to the Local Government. Hold submissions in areas of relevance and affecting the Local Government. Council of consultation and feedback sessions. Inform political awareness and relationship with politicians and others of influence.	H				

Strategic Risk 2: Failure to plan and prepare for change

Resilience in Governance

Core Risk Addressed / Core Interest	Cause	Form	Consequence	Likelihood	Initial Risk Rating	Building Resilience / Preventative Control Measures <sup>1</sup>	Residual Risk Rating	Further actions	Who	When	Change Risk
3.10/3.00	3.1 Failure of Council to recognise the impact of a changing economy on the Urban Coast region.	A decline in economic growth leads to industry and other activities moving away from the Urban Coast	Resilience	Possible	10	Council actively promotes sustainable economic growth on the Urban Coast and encourages sustainable industry and other activities.	5				
3.10/3.00	3.1 Failure of Council to address the risks associated with loss of population growth.	Population base declines Demand for community services declines Critical mass for provision of community services not achieved	Resilience	Unlikely	10	Council actively promotes sustainable economic growth on the Urban Coast and encourages sustainable industry and other activities Council actively encourages population increase and migration strategies	5				

## Strategic Risk 3: Failure to engage and retain competent and qualified staff and support the development of people

### 3a Outstanding Organisation

Strategic Risk Title / Sub-Title	Event	Impact	Consequence	Likelihood	Inherent Risk Rating	Existing Risk Treatments / Preventative Control Measures	Residual Risk Rating	Further Actions	When	When	Owner
1.01.003	3.1 Failure to provide sufficient resources and systems to ensure that Council employees are able to do their jobs.	Insufficient resources cause employees not to perform with necessary requirements. Insufficient resources cause employees to provide incorrect advice to Council. Insufficient resources create workflow pressure and backlog in the workplace. Poor communication. Increased stress and morale problems. Inefficiency and loss of productivity.	Higher	Possible	H	Reporting to Council regarding resource requirements (e.g. staff numbers). Conduct of workplace culture survey. Provision of appropriate resources to provide Council services.	L				
1.01.003	3.2 Failure to manage personnel requirements to ensure that there is no provision of necessary labour force.	Provision of Council services in certain areas is difficult or impossible. Increased financial cost of recruiting staff.	Higher	Possible	H	Competitive employee agreements. Supporting organisational values. Competitive remuneration. Human Resource Management strategies. Culture survey.	L				
1.01.003	3.3 Inability to retain key staff (i.e. loss of skilled competencies in the area).	Provision of Council services in certain areas is difficult or impossible.	Higher	Possible	H	Competitive employee agreements. Supporting organisational values. Competitive remuneration. Human Resource Management strategies. Culture survey.	M				
1.01.003	3.4 Council has insufficient oversight of its General Manager.	Conflicts between Council and General Manager. Disagreements about decisions affecting the community. Loss of reputation and image.	Higher	Unlikely	M	Regular meetings between Mayor and General Manager. Mayor and General Manager are aware of and respond to their respective roles. General Manager provides regular reports to Council. General Manager provides regular reports to Public Panel.	L				
1.01.003	3.5 Failure to engage in succession planning for key Council employees (e.g. General Manager).	Loss of continuity of services. Loss of knowledge, skills and experience.	Higher	Unlikely	M	Annual performance reviews consider succession planning.	M				
1.01.003	3.6 Failure to put systems and resources in place to support operational human resource management.	Overemployment and exposure to liability claims. Recruitment loss. Poor staff culture.	Medium	Rare	L	Appropriate policies and procedures are in place.	L				
1.01.003	3.7 Failure to maintain respect, trust and a respectful workplace culture.	Failure to maintain an appropriate relationship between Council and Council staff. Conflicts between Council and members of the public.	Higher	Rare	M	Appropriate policies and procedures are in place. Council staff are aware of their role as Council staff. Appropriate induction procedures. Code of Conduct. Council staff risk register.	L				

Strategic Risk 4: Failure to maintain a safe and healthy workplace and safe systems of work

As an Outstanding Organisation

Area Risk Impact / Low rated	Cause	Item	Consequence	Likelihood	Initial Risk Rating	Existing Risk Treatments / Preventative Control Measures <sup>1</sup>	Residual Risk Rating	Further Controls	Who	When	Change Risk
1 (Low)	1.1. Failure to provide adequate staff levels in WHM management systems resulting in unsafe conditions for employees and passengers.	Compliance with legislative requirements and subsequent prosecution Damage to Council image and reputation Increased costs and insurance premiums *Can be fixed	Major	Possible	H	Council develops WHM management systems Regular reporting of resources WHM management Council meetings Council ensuring that responsible officers are held accountable for WHM matters	L				

## Strategic Risk 5: Failure to be prepared for a municipal emergency and subsequent recovery

As a Delivering Organisation

Core Risk address / low address	Cause	Event	Consequence	Likelihood	Policy Area Rating	Existing Risk Treatments / Preventative Control Measures?	Residual Risk Rating	Further Actions	Time	When	Assign Risk
1.00.000.0.1	Failure to plan and be prepared for natural disaster emergency events	Services non-compliance	Major	Probable	H	West Coast Municipal Emergency Management Committee Municipal Emergency Management Committee Council support of WCCB Unit BU Coordinator and key staff participating in emergency exercises WCCB Unit to communicate during emergency events	H				
1.00.000.0.2	Inability to respond to a municipal emergency event	Services non-compliance Loss of life and property damage Disruption of essential services Loss of public confidence Insufficient staff available to respond to event Insufficient emergency management experience within organisation	Major	Unlikely	M	West Coast Municipal Emergency Management Plan West Coast Council Municipal Emergency Coordinator Council support of WCCB Unit Management Instructions for specific events identified in West Coast Emergency Management Arrangements	L				
0.1	Failure to manage the risk of infrastructure failure	Loss of life Loss of essential communications, assets and service delivery Emergency response capability inhibited	Extreme	Unlikely	M	Asset critical Management practices Programmed infrastructure maintenance Emergency response units for flood and stability of bridges Load programme in place for bridges and key infrastructure	L				
1.00.000.0.3	Failure to plan for a pandemic	Healthcare medical essential Council services Response and staff and their families	Minor	Unlikely	L	WCCB Municipal Emergency Management Committee Emergency Response Officer WCCB Municipal Emergency Management Plan Pandemic Influenza and Special Emergency Management Plan	L				
1.00.000.0.4	Failure to plan for recovery in the event of emergency recovery	Services non-compliance Loss of community confidence Loss of critical staff in recovery processes Insufficient emergency management experience within Organisation	Minor	Unlikely	L	Recovery Coordinator Recovery Base Plan Base Special Emergency Management Plan <b>WCCB Process for Inter-Council Emergency Management Resource Sharing?</b>	L				

## Strategic Risk 6: Failure to maintain and protect data and information systems

### An Outstanding Organisation

Date Risk added / last assessed	Cause	Form	Consequence	likelihood	Actual Risk Rating	Existing Risk Treatments / Preventative Controls / Measures	Residual Risk Rating	Further Controls	Other	Other	Overall Risk
1/01/2018	4.1 Failure to have resilient, secure and robust IT infrastructure (hardware and software), to meet Council needs.	Disruption to service provision Inability to access data, reports and systems Non-compliance with statutory requirements	Major	Critical Denial	9	IT governance committee Planned hardware and software replacement policy IT Disaster recovery plan	6				
1/01/2018	4.2 Failure to ensure that there are appropriate policies, procedures and systems in place to ensure data security and protection	Unauthorised access to programs and data Data held for retention Non-compliance with statutory requirements Loss of reputation and public confidence Financial loss	Major	Possible	8	IT Governance Committee Cyber security policies and procedures Cyber security penetration testing Appropriate network, components and reliable mail Business Continuity Plan Regular software updates Appropriate back up procedures and off-site storage of data where data is not covered in the usual IT Disaster recovery plan	12				
1/01/2018	4.3 Improper use of social media	Unauthorised information being published on social media Incorrect information published Loss of reputation and public image	Major	Possible	8	Appropriate policies and procedures Appropriate Council and staff professional development Staff and Council training	12				
1/01/2018	4.4 Policies and procedures are ineffective and unable to prevent the unauthorised use of social information and data.	Unauthorised information and other data is used Security on Council policies and procedures Possible legislative consequences Loss of reputation from adverse publicity	Major	Unlikely	10	Regular review of policies and procedures Staff and others professional development on how to follow relevant policies and procedures	5				
1/01/2018	4.5 Policies and procedures are ineffective and unable to prevent the provision of incorrect advice to a community member.	Council provides incorrect advice to a community member Possible legislative consequences Loss of reputation from adverse publicity	Major	Rare	10	Regular review of policies and procedures Staff and others professional development on how to follow relevant policies and procedures	5				

Strategic Risk 7: Failure to develop and maintain a positive relationship with the community

A. Wilmer Community

Score Risk added / less reduced	Cause	Item	Consequence	Likelihood	Initial Risk Rating	Existing Risk Treatments / Proactive Control Measures*	Residual Risk Rating	Further Actions	Who	When	Assign Risk
3 (H) / 1 (L)	1. Failure to have community consultation on the Local Plan.	lack of engagement with the community Community division Neat Council decision making Neat public image and reputation	Other	Unlikely	SL	Use the Scrutiny community sessions Questions at Council meetings Local Data Local Communities Strategy Local Data Community Plan Community surveys	L				
3 (H) / 2 (M)	2. Failure to plan and resource a safe public environment aligned with local government standards.	Neat public image and reputation Potential legal liability	Other	Possible	SL	Community Development Department management of assets Develop and implement community consultation measures and approach (e.g. risk assessment and emergency plan) Public Liability Insurance	L				
3 (H) / 2 (M)	3. Failure to develop and maintain a positive relationship with the community	Neat public image and reputation Community division Neat Council decision making	Unknown	Possible	SL	Use the Scrutiny community sessions Questions at Council meetings Local Data Local Communities Strategy	L				

## Strategic Risk 8: Failure to plan and prepare for a sustainable economic future

### Working Scenario

Case Risk Label / Case Label	Cause	Event	Consequence	Unlikely	Initial Risk Rating	Existing Risk Treatments / Preventative Control Measures?	Residual Risk Rating	Further Actions	Who	When	Group Risk
1, 10, 1000	8.1 Failure of Council to recognise the impact of changing economy on the Uitenhage region.	Changed economic conditions mean that businesses in the Uitenhage region fail to grow or even close down. Council loses a major revenue source which affects Council's finances. Council then will not be able to employ staff or to increase employee salaries and wages.	Severe	Possible	H	Research and assessment of changing economic conditions, industry patterns and social patterns in the Uitenhage region.	H				
1, 10, 1000	8.2 Failure to develop plans and strategies to support sustainable economic growth and development in the Uitenhage region.	Strategy planning is not effective and does not consider all necessary information. Financial management issues. Regional management issues. Community groups are not engaged in the process.	Major	Unlikely	M	Develop a Plan. Financial Plan. Financial Strategy. Council Plan and Budget estimates. 40% increase for Management Team. Regionalised under Management Team. Council Decisions made with strategic/municipality long-term approach.	L				
1, 10, 1000	8.3 Failure of Council to support the economic development of the Uitenhage region.	Council decision making does not support sustainable economic development. Council decision making is reactive. Lack of strategic direction means that the Uitenhage region, which is not able to attract investment, is not able to attract investment.	Major	Unlikely	M	Develop a Plan. Financial Plan. Financial Strategy. Council Plan and Budget estimates. 40% increase for Management Team. Regionalised under Management Team. Council Decisions made with strategic/municipality long-term approach.	L				
1, 10, 1000	8.4 Failure to prepare the Uitenhage region for future.	Lack of strategic direction. Council Plan allocation not effective. Financial Plan not effective. Financial Strategy. Council Plan and Budget estimates. 40% increase for Management Team. Regionalised under Management Team. Council Decisions made with strategic/municipality long-term approach.	Major	Possible	H	Develop a Plan. Financial Plan. Financial Strategy. Council Plan and Budget estimates. 40% increase for Management Team. Regionalised under Management Team. Council Decisions made with strategic/municipality long-term approach.	H				
1, 10, 1000	8.5 Failure to take into account the demographic and economic profile of community members and their ability to contribute to the local economy (e.g. parliament).	Lack of a sustainable new base. Lack of strategic direction.	Major	Possible	H	Develop a Plan. Financial Plan. Financial Strategy. Council Plan and Budget estimates.	H				

### Excellence in Management

Score/Risk matrix value	Cause	Item	Consequence	Likelihood	Risk Rank	Existing Risk Treatments / Prevention Controls/Initiatives	Residual Risk Rating	Further actions	Who	When	Score/Risk matrix value
5/15 (GGG.0.3)	Failure to understand the financial consequences of Council and therefore unable to assess financial impact of decisions	Council/Finance unable to assess financial implications of decision making Inadequate understanding of financial consequences and Council Finance Council Finance meeting (does not properly) consider financial impact Inadequate awareness of financial performance and financial position of Council	Higher	Possible	10	Council/Finance unable to properly explain Council Finance Financial implications of Council decision making (especially) not explained	10				
5/15 (GGG.0.3)	Failure to take account of, minimise and manage funding opportunities e.g. F102, Green	Failure to make attempts for funding opportunities Inadequate research, mapping and analysis for possible funding sources Lack of material to enhance Council's ability to respond to funding	Medium	Possible	10	There is no research is undertaken regarding all funding opportunities available from both Government and <u>non-government</u> sources There is no research mapping and analysis for all existing funding sources (current), potential ones	10				

## Strategic Risk 10: Failure to plan for, develop and maintain a sustainable infrastructure

### Sustainable Infrastructure

Core Risk category / non- rated	Cause	Event	Consequence	likelihood	Initial Risk Rating	Existing Risk Treatments / Preventative Control Measures <sup>1</sup>	Residual Risk Rating	Further Controls	Who	When	Owner Risk
1, 05, 003	10.1 Failure to establish plans and provide resources to ensure infrastructure is fit for purpose, is safe and cost effective and meets, and provides high public benefit.	Higher maintenance and replacement costs to Council Generators Costs that do not meet community expectations	Higher	likely	10	Strategic Asset Management Plan Asset Management Policy West Coast Asset Management Plan + Transport West Coast Council Asset Management Plan Asset Strategy - Transport Sector Infrastructure	5				
1, 05, 003	10.2 Failure to make decisions to ensure infrastructure assets are in the correct condition.	Costs that do not meet community expectations Negative public image	Higher	likely	10	Devolved meeting asset infrastructure decisions based upon informed advice Strategic Asset Management Plan Long term financial management plan	10				
1, 05, 003	10.3 Failure to provide resources and/or plan for financial sustainability in infrastructure asset management.	Reduced ability to provide services Failure of infrastructure assets due to lack of maintenance Costs that do not meet community expectations	Medium	possible	10	Long term financial management plan Value of the assets in comparison to the future investment in new assets Investigation of alternative means sources to supplement asset renewal and upgrading Devolved meeting asset infrastructure decisions based upon informed advice	5				
1, 05, 003	10.4 Systems are inadequate for efficient management of infrastructure assets	Failure of infrastructure assets due to lack of maintenance Inefficient asset practices	Higher	possible	10	Strategic Asset Management Plan Asset Management strategies and policies Asset Management and operations Building and facilities processes reviews	10				

## Strategic Risk 11: Failure to prepare and plan for environmental risk

On 8 November 2017 Item 3.8

Item No / Item	Cause	Event	Consequence	Likelihood	Risk Rating	Existing Risk Transforms / Preventive Control Measures*	Residual Risk Rating	Number of Items	Score	Score	Change Risk
1.05.0001	1.1 Failure to source managers and personnel to plan and deliver high quality built environments	Environmental damage Reputational harm and loss of public confidence Regulatory non-compliance and liability	Major	Unlikely	M	Active and Investigable Compliance policies and procedures Internal audit program	L				
1.05.0002	1.2 Failure to provide oversight of the management of Council's environmental performance	Loss of assets and disruption to the provision of public services Reputational harm and loss of public confidence	Medium	Unlikely	M	Active and Investigable Compliance policies and procedures Internal reports (and reporting on environmental (EP))	L				
1.05.0003	1.3 Failure to provide oversight of the development, implementation and monitoring of environmental strategies and controls	Environmental harm Reputational harm and loss of public confidence Regulatory non-compliance and liability	Medium	Possible	M	Local, regional and state partnerships in the monitoring of environmental strategies Active reporting on the environment Funding from external sources (where appropriate) to implement environmental strategies	L				
1.05.0004	1.4 Failure to manage and oversee the provision of natural resources for future generations	Reputational harm and loss of public confidence Health and safety concerns and impacts on the community	Major	Possible	H	Compliance policies and procedures Active and Investigable Internal reports (and reporting on environmental issues)	M				
1.05.0005	1.5 Failure to lead the preparation for the impact of climate change	Peer planning decisions Damage to assets over time Increased costs of service delivery Reputational harm and loss of public confidence	Major	Possible	H	Planning systems Emergency plans Compliance of 2017 Completion of a system audit	M				
1.05.0006	1.6 Failure to maintain existing systems and processes to ensure an environment for all: Safe physical and environmental	Peer planning decisions Damage to assets over time Increased costs of service delivery Reputational harm and loss of public confidence	Medium	Possible	M	Active and Investigable Compliance policies and procedures Internal reports (and reporting on environmental (EP))	L				

Likelihood	Consequences				
	Very Low	Low	Medium	High	Extreme
Unlikely	Very Low	Low	Medium	High	Extreme
Unlikely	Very Low	Low	Medium	High	Extreme
Possible	Low	Medium	High	Extreme	Extreme
Unlikely	Very Low	Low	Medium	High	Extreme
Very	Low	Medium	High	Extreme	Extreme

Unlikely	Very Low	Low	Medium	High	Extreme
Unlikely	Very Low	Low	Medium	High	Extreme
Possible	Low	Medium	High	Extreme	Extreme
Unlikely	Very Low	Low	Medium	High	Extreme
Very	Low	Medium	High	Extreme	Extreme

Consequence definition	Financial	Health/Community	Legal	Political/Reputational
Unlikely	Extensive loss or loss of property or business operation	Extensive or internal or external adverse reaction	Extensive non-compliance or breach of regulatory framework	Extensive or internal adverse management or reputational
Unlikely	Extensive or internal or external reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation
Unlikely	Extensive or internal or external reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation
Unlikely	Extensive or internal or external reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation
Unlikely	Extensive or internal or external reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation	Extensive or internal or external adverse reaction or operation

Very Low	Very Low
Low	Low
Medium	Medium
High	High
Extreme	Extreme