



# Risk Management and Audit Committee (RMAC) **BUSINESS PAPER** **Wednesday 31/08/2022**

Meeting to be held commencing 4.00pm  
In the Council Chambers at 7 Bees Creek Road, Freds Pass

**Stephen Hoyne, Chief Executive Officer**

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.



## RMAC AGENDA

### LITCHFIELD COUNCIL RMAC MEETING

#### Notice of Meeting

to be held in the Council Chambers, Litchfield  
on Wednesday, 31 August 2022 at 4.00pm

Stephen Hoyne  
Chief Executive Officer

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1. Opening of meeting

2. Apologies and Leaves of Absence

3. Disclosure of Interests

Any member of the RMAC who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at the RMAC meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

4. Confirmation of Minutes

THAT the full minutes (including confidential minutes) of the Risk Management and Audit Committee Meeting held Wednesday 1 June 2022, 5 pages, be confirmed.



# RISK MANAGEMENT AND AUDIT COMMITTEE MINUTES

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## LITCHFIELD COUNCIL COMMITTEE MEETING

### Minutes of Meeting

held in the Council Chambers, Litchfield  
on Wednesday, 1 June 2022 at 4.00pm

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<b>Present</b>	Garry Lambert Cr Mathew Salter Cr Mark Sidey Mayor Doug Barden	Chairperson (Electronic Attendance) Committee Member Committee Member Ex-Officio
<b>Staff</b>	Arun Dias Leon Kruger Nicky McMaster Maxie Smith Rebecca Taylor Danny Milincic Jessica Eves	Interim Chief Executive Officer General Manager Infrastructure and Operations General Manager Community and Lifestyle Manager Corporate Services Policy and Governance Program Leader Manager People & Performance Executive Support

### Presenters

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#### 1. OPENING OF THE MEETING

The Chairperson, Garry Lambert opened the Meeting at 4.00pm.

#### 2. APOLOGIES AND LEAVE OF ABSENCE

Nil.

#### 3. DISCLOSURES OF INTEREST

No disclosures of interest were declared.



#### **4. CONFIRMATION OF MINUTES**

Moved: Cr Sidey

Seconded: Cr Salter

THAT the full minutes of the Risk Management and Audit Committee Meeting held 23 February 2022, 6 pages, be confirmed.

**CARRIED (3/0)**

#### **5. BUSINESS ARISING FROM THE MINUTES**

The Risk Management & Audit Committee reviewed the Action Sheet.

#### **6. PRESENTATIONS**

Nil.

#### **7. ACCEPTING OR DECLINING LATE ITEMS**

Moved: Cr Salter

Seconded: Cr Sidey

THAT the Risk Management & Audit Committee accept the following late items:

- Item 9.1 - Risk Management and Audit Committee Performance and Review
- Item 9.2 - Review of the Risk Management and Audit Committee Terms of Reference

**CARRIED (3/0)**

#### **8. OFFICERS REPORTS**

##### **8.1 KPMG Audit Plan 2022**

Moved: Cr Salter

Seconded: Cr Sidey

THAT the Risk Management & Audit Committee receive and note the KPMG Audit Plan and Strategy for the year ended 30 June 2022.

**CARRIED (3/0)**

## **8.2 Long Term Financial Plan Software**

Moved: Cr Salter  
Seconded: Cr Sidey

THAT the Risk Management and Audit Committee receive and note this report.

**CARRIED (3/0)**

## **8.3 Internal Audits and Risk Management Framework**

Moved: Cr Sidey  
Seconded: Cr Salter

THAT the Risk Management and Audit Committee:

1. Support the proposed changes to the internal audit of Council's Road Inspection Regime; and
2. Receive and note the Risk Management Framework, at Attachment A; and
3. Receive and note the Waste Transfer Station WHS 2018 Audit at Attachment B.

**CARRIED (3/0)**

## **9. OTHER BUSINESS**

### **9.1 Risk Management and Audit Committee Performance and Review**

Moved: Cr Sidey  
Seconded: Cr Salter

THAT as per FIN09 Risk Management and Audit Committee Policy part 4.5. staff prepare a plan for the August 2022 Risk Management and Audit Committee meeting that sets out the direction for an assessment of the committee's performance.

**CARRIED (3/0)**

### **9.2 Risk Management and Audit Committee Terms of Reference**

Moved: Cr Salter  
Seconded: Cr Sidey

THAT as per FIN09 Risk Management and Audit Committee Policy part 4.12. the Risk Management and Audit Committee Terms of Reference is circulated to committee for review, prior to the August 2022 meeting.

**CARRIED (3/0)**

## **10. CONFIDENTIAL ITEMS**

Moved: Cr Sidey

Seconded: Cr Salter

THAT pursuant to Section 99(2) of the *Local Government Act 2019* and Regulation 51(1) of the *Local Government (General) Regulations* the meeting be closed to the public to consider the following Confidential Items:

### **10.1 Information and Communications Technology Business Continuity Plan**

This item is considered 'confidential' pursuant to Section 99(2) and 293(1) of the *Local Government Act 2019* and Section 51 of the *Local Government (General) Regulations 2021*:

1(c)(i) information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person.

### **10.2 Draft ICT Security Policy**

This item is considered 'confidential' pursuant to Section 99(2) and 293(1) of the *Local Government Act 2019* and Section 51 of the *Local Government (General) Regulations 2021*:

1(c)(iii) prejudice the security of the council, its members or staff.

**CARRIED (3/0)**

*The meeting was closed to the public at 4:36pm.*

Moved: Cr Sidey

Seconded: Cr Salter

THAT pursuant to Section 99(2) of the *Local Government Act 2019* and Regulation 51 of the *Local Government (General) Regulations* the meeting be re-opened to the public.

**CARRIED (3/0)**

*The meeting moved to Open Session at 5:27pm.*

### **13. CLOSE OF MEETING**

The Chair closed the meeting at 5:46pm.

### **MINUTES TO BE CONFIRMED**

Wednesday 31 August 2022

.....  
**Chair**  
**Garry Lambert**

unconfirmed

5. Business Arising from the minutes

THAT Council receives and notes the Action Sheet

Meeting Date	Agenda Item & Resolution	Action Officer	Status
1/06/2022	<b>9.1 Risk Management and Audit Committee Performance Review</b> THAT as per FIN09 Risk Management and Audit Committee Policy part 4.5 staff prepare a plan for the August 2022 Risk Management and Audit Committee meeting that sets out the direction for an assessment of the committee's performance.	CEO	Performance assessment plan contained within this agenda (8.1). Completed
01/06/2022	<b>9.2 Risk Management and Audit Committee Terms of Reference</b> THAT as per FIN09 Risk Management and Audit Committee Policy part 4.12 the Risk Management and Audit Committee Terms of Reference is circulated to committee for review, prior to the August 2022 meeting.	CEO	The outcome the performance assessment plan contained within this agenda (31 August 2022, 8.1) could potentially result in changes to the FIN09 Risk Management and Audit Committee policy. The policy will be reviewed following the August meeting and completion of the performance assessment of RMAC.

6. Presentations

7. Accepting or Declining Late Items

8. Officer Reports



## RMAC REPORT

<b>Agenda Item Number:</b>	8.01
<b>Report Title:</b>	Audit Committee Performance Assessment
<b>Author:</b>	Maxie Smith, Acting General Manager Business Excellence
<b>Recommending Officer:</b>	Stephen Hoyne, Chief Executive Officer
<b>Meeting Date:</b>	24/08/2022
<b>Attachments:</b>	A: BDO Audit Committee Self-Assessment template

### Executive Summary

This report is to advise the Risk Management and Audit Committee (RMAC) of undertaking a performance review of the committee.

### Recommendation

That the Risk Management and Audit Committee receive and note the audit committee self-assessment plan.

### Background

On 1 June 2022, the RMAC resolved to:

“That as per FIN09 Risk Management and Audit Committee Policy part 4.5, staff prepare a plan for the August 2022 Risk Management and Audit Committee meeting that sets out the direction for an assessment of the committee’s performance.”

Council’s Risk Management & Audit Committee (FIN09) section 4.5 sets out the guidelines for assessing the committee’s performance and review.

Section 4.5.1 states “The chairperson, in consultation with the Chief Executive officer, will initiate a self-assessment review of performance of the committee at least once every four years”.

Section 4.5.2 states “The review will be conducted on a self-assessment basis with appropriate input sought from the Chief Executive officer, the auditors, elected members, management and any other relevant stakeholders, as determined by the Chief Executive Officer”.

Against this backdrop, it is advised that the RMAC undertake a self-assessment by using the self-assessment template provided at attachment A to this report. The self-assessment template measures performance in areas of:

1. Composition
2. Committee Management



3. Culture
4. Onboarding and Continuing Education
5. Audit Committee Chair
6. Communications
7. Consideration of Risk
8. Oversight of Financial Reporting
9. Oversight of Internal Control over Financial Reporting
10. Oversight of Internal Audit
11. Oversight of External Auditors and,
12. Overall Assessment.

The template covers all the required performance areas for RMAC. The chair of the RMAC in consultation with the mayor and the elected members of RMAC can choose to expand the scope of the self-assessment or vice versa.

It is advised that RMAC review the standard template of assessment provided in attachment A of this report and short-list focus areas. Note that not all areas measures of performance provided in the template will be applicable to Litchfield Council.

The template can be used by each RMAC member or can be done collectively. The Chair in consultation with the members should determine the appropriate method of either individual self-assessment or collectively as a group. It is good practice to source feedback from elected members, the chief executive officer and council's external auditors which will enhance the performance evaluation.

A self-assessment evaluation may result in proposed improvements to the RMAC and as such it is advised the terms of reference and the RMAC FIN09 policy be reviewed for changes after the self-assessment and evaluation is complete.

#### **Links with Strategic Plan**

A Well-Run Council - Good Governance

#### **Legislative and Policy Implications**

Risk Management & Audit Committee (FIN09) section 4.5

Risks



There is a moderate Governance risk should the RMAC not conduct a self-review of the committee.

Financial Implications

Not applicable

Community Engagement

Not applicable

# AUDIT COMMITTEE SELF-ASSESSMENT

## What is the Audit Committee Self-Assessment?

This is a tool designed to assist the audit committee in evaluating HOW well the audit committee is executing their responsibilities. Please refer to [BDO's Audit Committee Requirements Practice Aid](#) to track WHAT the audit committee should be doing throughout the year. The performance indicators included in this practice aid have been selected from BDO thought leadership available within [The BDO Center for Corporate Governance and Financial Reporting](#), review of other widely available self-assessment tools, and our knowledge and experience in working with both public company audit committees and those charged with governance at private companies.

## Why should audit committees perform a self-assessment?

Beyond listing exchange requirements, this tool is designed to assist in strategic improvements and identification of ongoing goals for the audit committee as a basis for good governance practice. As there is always room for improving quality and performance, we recommend that this document be used in conjunction with your organization's Audit Committee Charter (or similar document) to ensure that governance responsibilities are adequately aligned with the charter and are being fulfilled appropriately. You may choose to customize this self-assessment further to reflect specific attributes of your organization and develop specific action steps and estimated completion dates to enhance your audit committee's performance.

## Who should use this practice aid?

This Audit Committee Self-Assessment may be used by those charged with governance (in particular, audit committees) in performing an annual self-assessment. The audit committee chair would generally compile the results, which may be obtained from individual committee members on a confidential basis, but should also contemplate feedback from other key stakeholders such as the board, internal and external audit, and management.

## When should the audit committee use this practice aid?

The audit committee should perform a self-assessment at least annually with areas identified for improvement to be assessed throughout the year.

## How should the audit committee use this practice aid?

This self-assessment tool is to be used as a guide and in correlation with the responsibilities laid out within the audit committee charter approved by the full board. In certain circumstances, some of the below line items may not be applicable or there may be additional considerations that the audit committee may want to include in their assessment. At the discretion of the audit committee chair and members, an additional free-form commentary box has been included to allow for specific recommendations or observations to be captured for further consideration.

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
<b>1. COMPOSITION</b>									
The audit committee has the appropriate qualifications, integrity, time, and resources to serve the board of directors and satisfy the audit committee charter.									
The audit committee has the appropriate number of members to address risk adequately and efficiently.									
All members of the audit committee understand their roles and responsibilities.									
The audit committee has at least one financial expert member, and the inclusion of additional financial experts has been considered in light of the company's risk and planned activities.									
The audit committee has the appropriate operational and industry expertise, business acumen, along with diversity in thought, to allow a solid understanding of and to address the risks faced by the Company.									
Audit committee members have adequate time to devote to their duties and are not considered to be "over boarded" (i.e., they do not have too many conflicting obligations in serving other committees of the board, additional boards where they are serving as directors or advisors to, etc.).									



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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
All of the audit committee members are independent in both form and appearance so that impartiality may be applied in committee decision-making.									
The audit committee annually confirms its independence to the board of directors.									
The audit committee completes and continues to periodically perform timely background checks on all audit committee members.									
The audit committee considers whether a change in composition of the audit committee is needed in order to provide a "fresh" perspective of the Company.									
The audit committee has members who are able to manage dissent and demonstrate a questioning mindset.									
<b>2. COMMITTEE MANAGEMENT</b>									
The audit committee allocates adequate meeting time throughout the year.									
The board book is prepared timely and concisely, focusing on appropriate issues and is distributed with time for adequate review by members in advance of meetings.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
All audit committee members receive and review materials in advance of audit committee meetings and come to meetings prepared.									
The audit committee adheres to agenda time prioritized to discuss important issues.									
The audit committee ensures proper follow up to questions and issues that arise.									
The audit committee conducts its meetings efficiently and is able to focus, discuss, and debate significant issues.									
The audit committee maintains adequate meeting minutes.									
The audit committee reports timely and adequately to the board of directors and solicits appropriate feedback from the board.									
The audit committee's role, as a function of the overall board of directors, is clear and concise.									
<b>3. CULTURE</b>									
The audit committee exhibits the appropriate "tone from the top," as defined by the audit committee chair.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
Audit committee members are able to speak freely during audit committee meetings.									
The audit committee maintains a questioning mindset and respects dissenting opinions to foster robust dialogue on significant matters.									
Management has established appropriate whistle-blower policies and procedures and the audit committee adequately oversees this process.									
The audit committee ensures that management maintains a Company Code of Conduct and that it is adhered to.									
The audit committee ensures that management clearly communicates to all employees that financial misreporting is absolutely unacceptable and this no tolerance policy is being appropriately enforced.									
The audit committee requires management to communicate "bad" news promptly and fully and management is in compliance with this requirement.									
The audit committee is able to ask difficult questions of management, the internal auditor and the external auditor.									



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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee is skeptical in its analysis of issues.									
The audit committee is able to react quickly to effect change and take preventative measures for the future.									
The audit committee uses the audit committee charter to guide its responsibilities and assist in setting agendas.									
The audit committee updates the audit committee charter annually, or as necessary, based on regulatory requirements and/or circumstances particular to the Company.									
The audit committee conducts and presents its annual self-assessment to the board of directors.									
The audit committee has the authority and adequate resources to retain and compensate auditors and independent counsel and advisors and to fund ordinary administrative expenses.									
<b>4. ONBOARDING AND CONTINUING EDUCATION</b>									
The audit committee has a robust onboarding process for new members.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
Ensures robust “onboarding” of new members occurs timely.									
The audit committee has an effective process for participating in continuation education in keeping current on accounting, reporting, and other relevant governance and industry-specific matters.									
The audit committee has a process for allowing members to remain current on independence requirements.									
<b>5. AUDIT COMMITTEE CHAIR</b>									
The chair has adequate time scheduled to fulfill his/her responsibilities.									
The chair is knowledgeable of committee members' skill sets and draws on such expertise/experience as needed.									
The chair sets the appropriate tone for meetings, demonstrates effective leadership, and is able to manage various personalities and dissenting opinions in maintaining a productive and respectful environment.									
The chair sets the audit committee agenda with appropriate allocation of time for discussion and decision-making related to risk, complexity, and other significant considerations.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The chair effectively listens to and communicates with the audit committee members and others internal and external to the organization.									
The chair takes time to meet independently with management, internal and external auditors, etc. and encourages interactions among the directors and with management, the auditors, and others internal and external to the organization.									
The chair solicits input for meeting agendas from other audit committee members, management, and both the internal and external auditors.									
The chair ensures robust "onboarding" of new members occurs timely.									
The chair engages the appropriate external resources, if and when needed.									
The chair adequately reports out to and works with other committees and the full board, as appropriate.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
<b>6. COMMUNICATIONS</b>									
The audit committee understands the pressures faced by management that could impact the financial reporting of the Company and maintains skepticism and exercises appropriate professional judgment.									
The audit committee maintains open and honest communication with management.									
The audit committee maintains open and honest communication with internal audit.									
The audit committee maintains open and honest communication with external auditors.									
The audit committee ensures external audit inquiries, requests, and recommendations are responded to in a timely fashion.									
The audit committee holds separate executive sessions with key members of management (including operations) as well as internal and external auditors, as often as necessary, to understand business risks.									
<b>7. CONSIDERATION OF RISK</b>									
The audit committee understands the strategic direction of the Company.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee reviews and understands risk assessments developed by management and the auditors.									
The audit committee is knowledgeable of and considers risk to the company's strategy and business models posed by evolving and disruptive technologies and processes.									
The audit committee is alert to fraud risk factors, particularly the potential for management override of internal controls.									
<b>(If appropriate)</b> The audit committee is adequately briefed on management's cybersecurity risk management program and has confidence that this program is designed and operating effectively.									
<b>8. OVERSIGHT OF FINANCIAL REPORTING</b>									
The audit committee understands and challenges the appropriateness of critical accounting policies, estimates and judgements, including the implementation of new accounting standards.									
The audit committee understands and challenge the completeness and transparency of the financial statements, annual report, and other related communications.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee has adequate procedures in place to ensure that review of earnings releases and filing documents (including 10-Qs, 10-Ks, MD&A, CD&A, proxies) occur prior to public release.									
The audit committee is satisfied with the quality and transparency of disclosures within the financial statements.									
The audit committee discusses management's use and disclosure of non-GAAP measures with the auditor and is in agreement with use of such disclosures within the financial statements.									
The audit committee reviews materials outside of the financial statements (e.g., industry reports, trend analysis, budget to actual, financial ratios, etc.) and encourages management to provide this information on a timely basis.									
The audit committee understands the status of any major litigation or compliance matters encountered by the Company (including results of regulatory reviews/reports) and how management is addressing and responding to these matters.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee oversees the qualifications and competency of management and senior financial executives.									
The audit committee has an adequate succession plan in place for key financial management personnel (e.g., Chief Financial Officer, Chief Accounting Officer, and Internal Audit Director).									
<b>9. OVERSIGHT OF INTERNAL CONTROL OVER FINANCIAL REPORTING</b>									
The audit committee has a good understanding of the internal controls of the Company's and management's assessment of the effectiveness of internal controls.									
The audit committee is alert to "red flags" which may signal improper earnings management, fraudulent financial reporting, and misappropriation of funds or illegal acts.									
The audit committee has a process in place for reacting to alleged fraud.									
The audit committee is well informed and satisfied as to the knowledge and skillset with the accounting department, including middle management positions.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
Management communicates significant deficiencies or material weaknesses directly to the audit committee along with plans for remediation.									
The audit committee adequately monitors and follows up on management's remediation plans.									
The audit committee engages experts and advisors, as circumstances warrant.									
<b>10. OVERSIGHT OF INTERNAL AUDIT</b>									
The audit committee is responsible for and has adequate knowledge of the selection, operation, and retention of the internal audit function.									
The audit committee meets often enough – both formally and informally – with the internal auditors and understands the scope of their work.									
The audit committee discusses the overall scope, risk identification, and audit plan with the internal auditors and suggests adjustments as appropriate.									
The internal auditors report directly to the audit committee, providing it with unfiltered information.									



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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee periodically evaluates the adequacy, effectiveness, and independence of the internal audit department.									
Internal audit is adequately resourced.									
<b>11. OVERSIGHT OF EXTERNAL AUDITORS</b>									
The audit committee is responsible for and has adequate knowledge of the selection and retention of the external audit function, including the selection of the engagement partners.									
The audit committee specifically considers the technical, industry, and financial reporting expertise, including geographic reach, of the auditor.									
The audit committee considers the relationship and tenure of the auditor in the appointment and retention decision.									
<b>(If available)</b> The audit committee reviews annual auditor transparency and/or voluntary audit quality reports.									
The audit committee has evaluation procedures in place for the external auditors, and responds to areas of dissatisfaction in a timely manner.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee inquires of and is satisfied that the auditors have adequate quality control policies and procedures in place to ensure services rendered meet professional and regulatory requirements as well as the audit committee's expectations.									
The audit committee obtains sufficient information to ensure that the audit fee is in line with expectations and the scope of the audit.									
The audit committee is satisfied with the on-going technical training and competence of the auditors.									
The audit committee has adequate access to the auditors.									
The audit committee is satisfied that communications with the auditors are meaningful and occur often enough.									
The audit committee has pre-approval of services (both audit and non-audit) policies and procedures and is satisfied that these are operating effectively.									
The audit committee discusses the overall scope, risk identification, and audit plan with the auditors and suggested adjustments, as appropriate.									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee understands the critical accounting policies and practices employed by management and discusses these with the auditor.									
<p>The audit committee discussed with the auditor all significant findings from the audit, including but not limited to:</p> <ul style="list-style-type: none"> <li>▶ critical accounting policies;</li> <li>▶ changes in accounting principles;</li> <li>▶ management judgments and estimates;</li> <li>▶ corrected and uncorrected misstatements;</li> <li>▶ other information in documents containing audited financial statements (e.g., MD&amp;A, selected financial data, etc.);</li> <li>▶ disagreements with management;</li> <li>▶ consultation with other accountants;</li> <li>▶ major issues discussed with management, including those held prior to retention;</li> <li>▶ significant difficulties encountered in performing the audit; and</li> <li>▶ fraud and potential illegal acts involving senior management and those that cause a material misstatement of the financial statements</li> </ul>									

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Topic/Issues	0 N/A	1 Strongly Disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly Agree	Action Steps Required/ Comments	Estimated Completion Date	Commentary
The audit committee discusses with the auditor the quality, not just the acceptability, of the entity's accounting principles as applied in its financial reporting.									
The audit committee discusses with the auditor all alternative accounting treatments within GAAP related to material items that have been discussed with management.									
The audit committee reviews and discusses with the auditor any material written communications made to management (e.g., management and engagement letters) and the status of recommendations made.									
<b>12. OVERALL ASSESSMENT</b>									
The audit committee function is operating efficiently and effectively in fulfillment of its oversight responsibility.									

Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your needs.

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## RMAC REPORT

<b>Agenda Item Number:</b>	8.2
<b>Report Title:</b>	Risk Management Governance Framework
<b>Author:</b>	Rebecca Taylor, Acting Manager People and Performance
<b>Recommending Officer:</b>	Maxie Smith, Acting General Manager Business Excellence
<b>Meeting Date:</b>	31/08/2022
<b>Attachments:</b>	A: Risk Management Governance Framework

### Executive Summary

The purpose of this report is to present to RMAC the updated Risk Management Governance Framework.

### Recommendation

THAT RMAC approve the Risk Management Governance Framework, at Attachment A.

### Background

The Risk Management Governance Framework (Framework), developed in 2018, sets out Councils approach to the identification, assessment, management, reporting and monitoring of risks.

As per the requirements of the Framework, a review has been conducted to ensure the appropriateness and effectiveness of the Framework.

The review consisted of consultation with JLT Risk Consulting and Council's senior and executive management teams, and resulted in the following changes;

- Amended to be in-line with current AS/NZS ISO 31000:2018 Risk Management standard
- Minor change in reporting lines and position titles
- Amended to include current FIN08 Risk Management Policy.

### Links with Strategic Plan

Performance - An Effective and Efficient Organisation

Legislative and Policy Implications

The Framework is now in-line with the current standard AS/NZS ISO 31000:2018 Risk Management.

Risks



Nil identified

Financial Implications

N/A

Community Engagement

N/A

# RISK MANAGEMENT GOVERNANCE FRAMEWORK

RISK MANGEMENT POLICY  
RISK MANAGEMENT PROCEDURES

Prepared by JLT Risk Consulting for:

LITCHFIELD COUNCIL

Last Updated: ~~January 2018~~ 15 August 2022

Version: 0.~~2~~4

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## INTRODUCTION

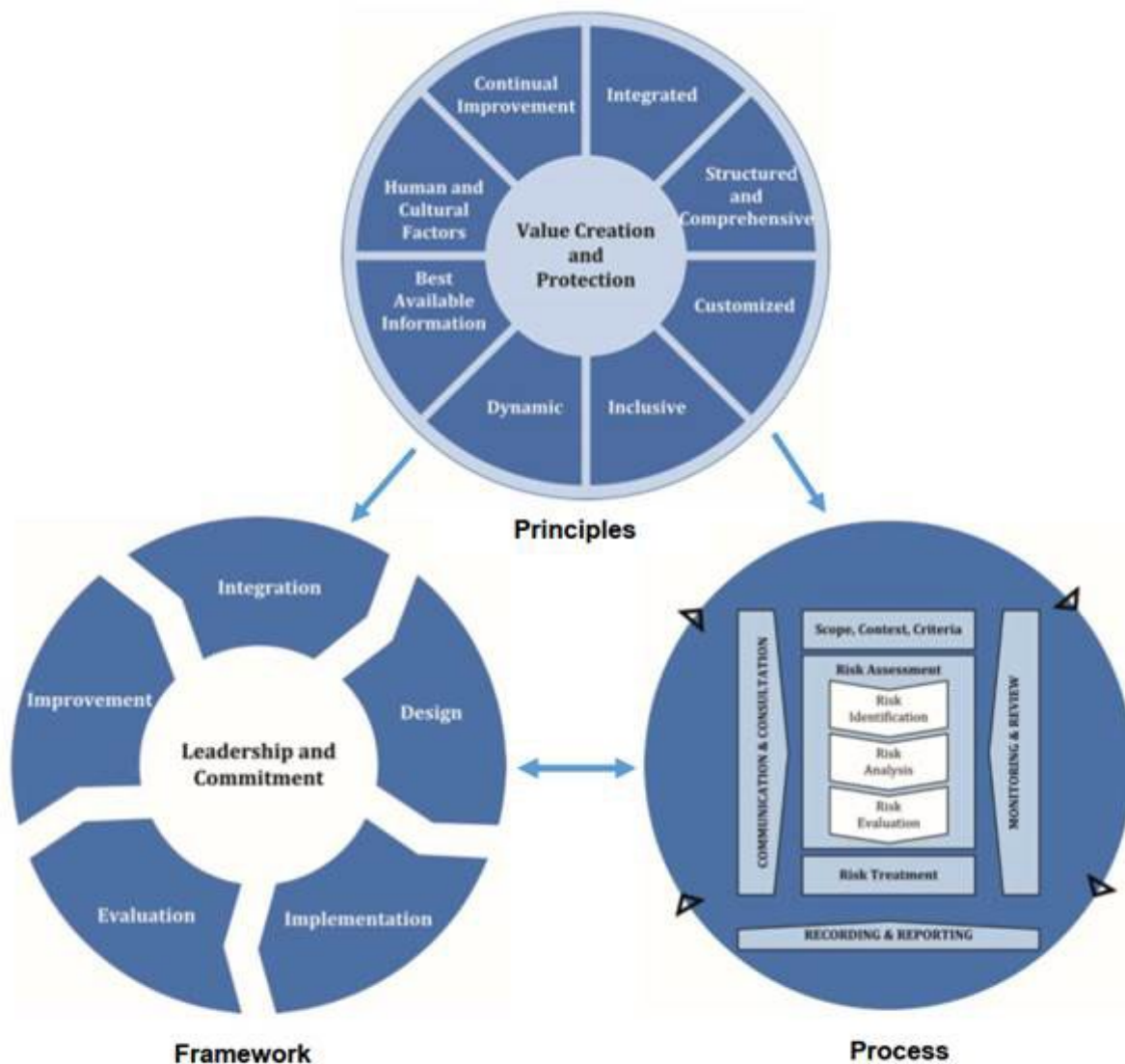
The Policy and Procedures form the Risk Management Framework for Litchfield Council (the “Council”). It sets out the Councils approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2018 Risk Management.

It is essential that all areas of Council adopt these procedures to ensure:

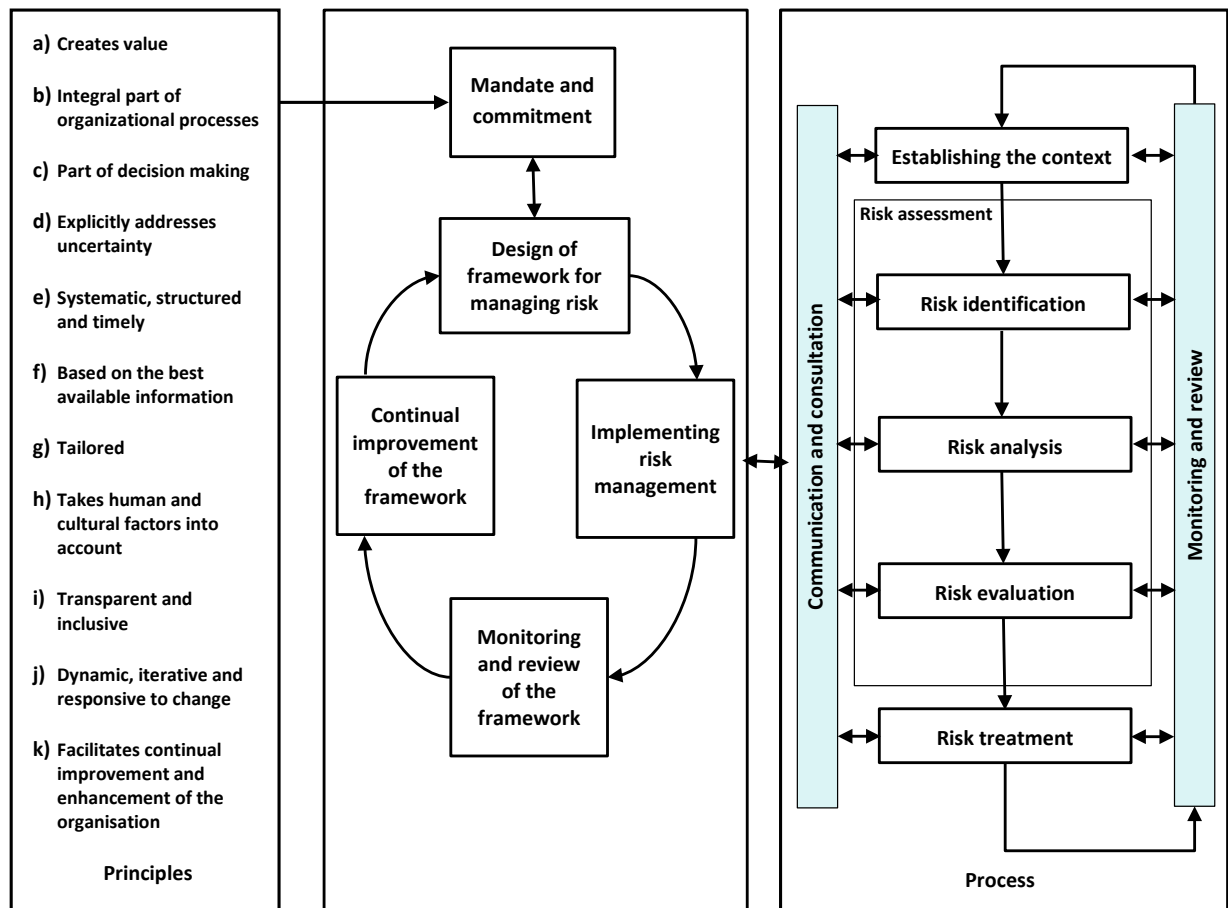
- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Planning and reporting requirements are met.
- Uncertainty and its effects on objectives are understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of Council along with existing time, resource and workload pressures.

Further information or guidance on risk management procedures is available from JLT.



**Figure 1: Risk Management Principles, Framework and Process (Source: AS ISO 31000:2018)**



**Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)**

## RISK MANAGEMENT POLICY

Risk Management is an important part of Litchfield Council's corporate governance and covers areas such as strategic management, internal controls, business development, project management, finance, etc. It comprises procedures to mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded, legislation and council policies/rulings are complied with and financial reporting is accurate and reliable. Effective risk management in Council operations is critical in achieving its goals and objectives.

Councils risk management policy (Appendix – A FIN08 Risk Management) is based on the principles of:

- Managing risks relating to the stewardship of public resources requires effective internal controls.
- Council requires a framework for an effective risk management system which conveys to managers that they are responsible for ensuring that risks are identified, controls are established, documented, maintained and adhered to across the council and to all employees that they are responsible for adhering to those controls.
- Council must ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Council objectives through operational efficiency.

Council has a Risk Management and Audit Committee governed by terms of reference set out in FIN09 Risk Management and Audit Committee Policy.



## RISK MANAGEMENT PROCEDURES

### Governance

Appropriate governance of risk management within Litchfield Council (the “Council”) provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

### Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness once every term of Council.

### Operating Model

The Council supports a “Three Lines of Defence” model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

#### First Line of Defence

All operational areas of Council are considered ‘1<sup>st</sup> Line’. They are responsible for ensuring that risks (within their scope of operations) are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support decisions on risk matters.
- Prepare risk acceptance proposals where necessary, based on level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

#### Second Line of Defence

The Risk Framework Owner (RFO) acts as the primary ‘2<sup>nd</sup> Line’. This position owns and manages the framework for risk management. They draft and implement the governance procedures and provide the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1<sup>st</sup> & 3<sup>rd</sup> lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1<sup>st</sup> Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Coordinating Councils risk reporting for the CEO & Management Team and the Audit & Risk Committee.

### **Third Line of Defence**

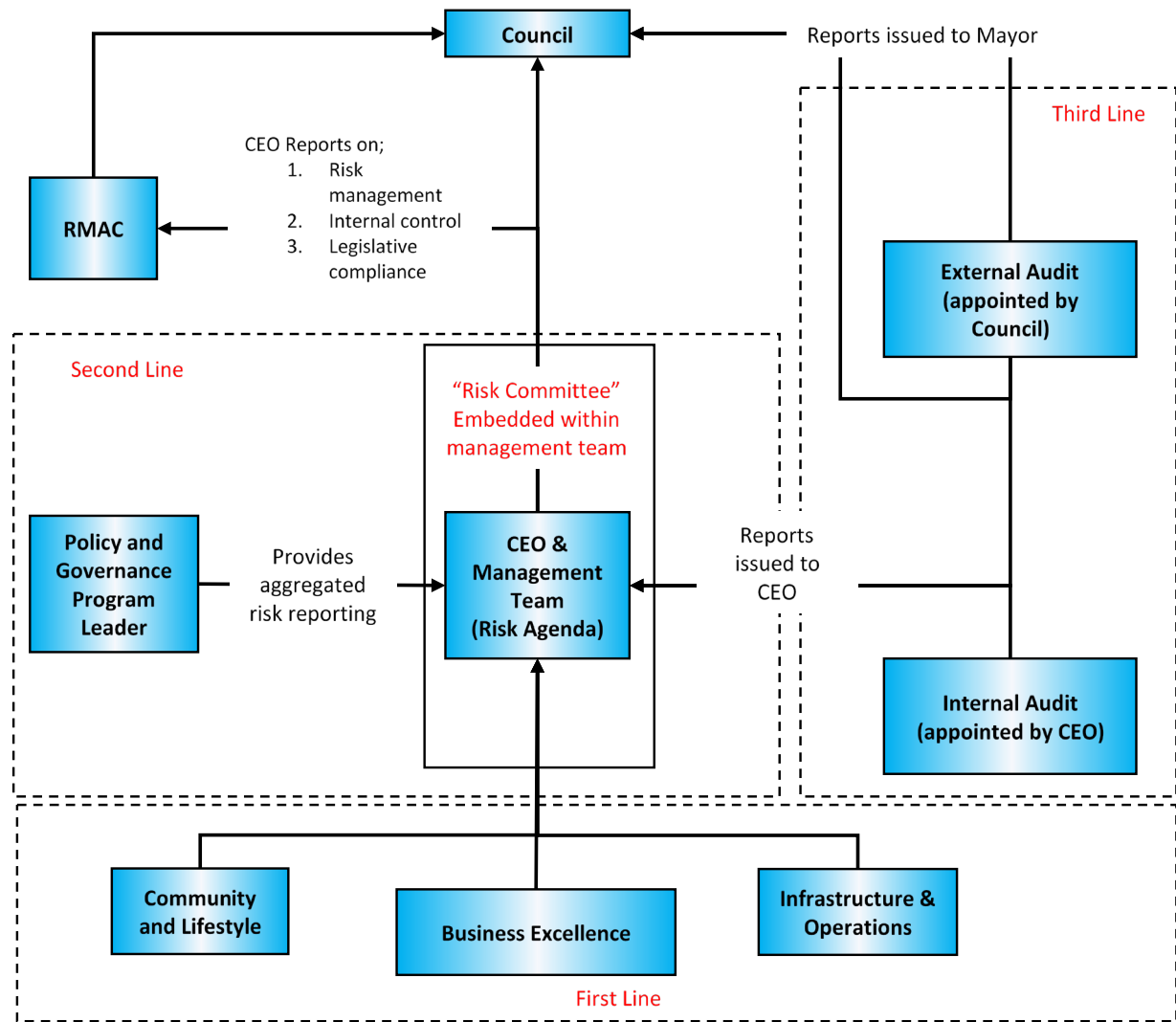
Internal & External Audit are the third line of defence, providing independent assurance to the Council, Risk Management and Audit Committee and Management on the effectiveness of business operations and oversight frameworks (1<sup>st</sup> & 2<sup>nd</sup> Line).

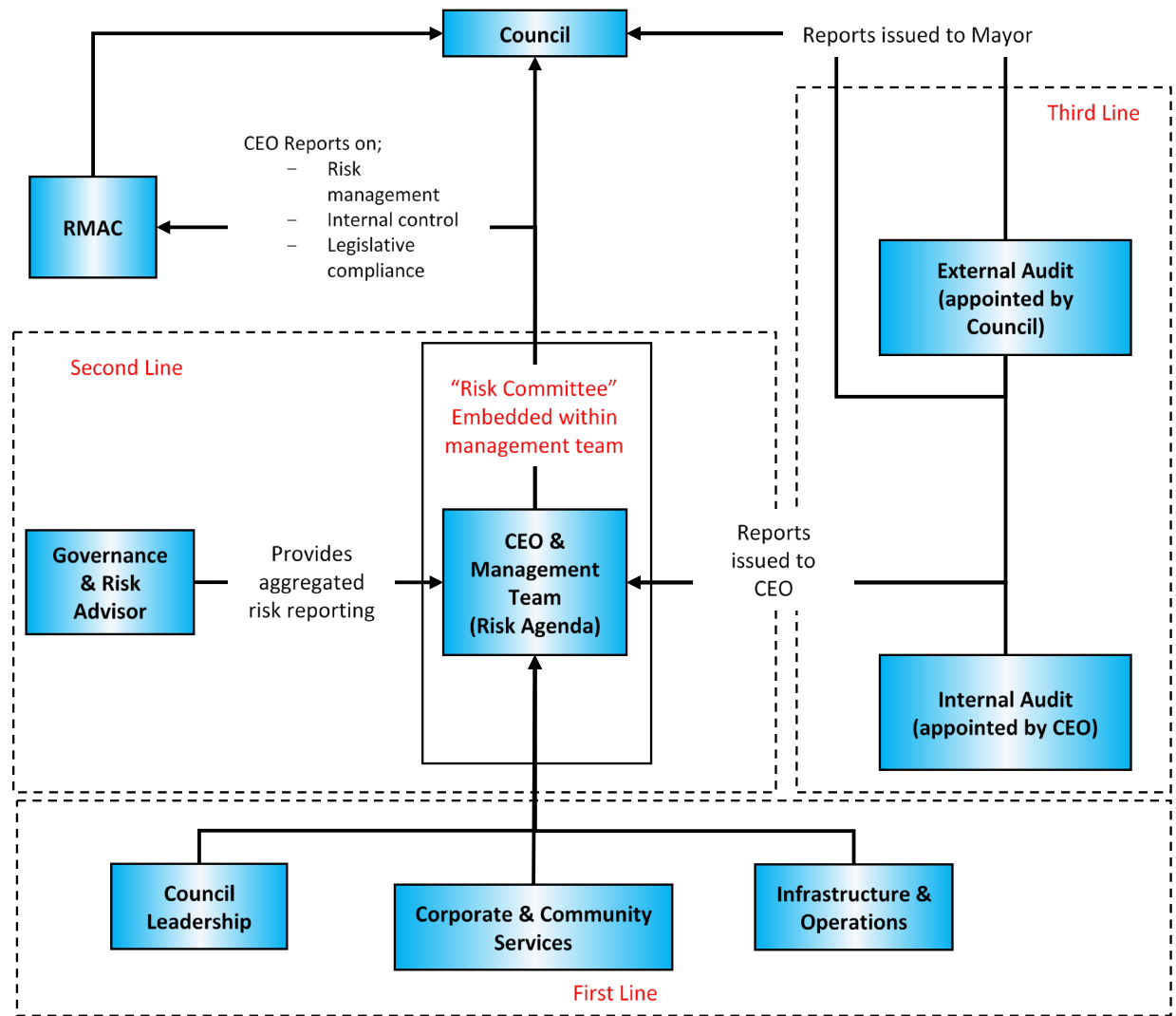
Internal Audit – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Risk Management and Audit Committee.

External Audit – Appointed by the Council on the recommendation of the Risk Management and Audit Committee to report independently to the Mayor and CEO on the annual financial statements.

### **Governance Structure**

The following diagram depicts the current operating structure for risk management within Council.









## **Roles & Responsibilities**

### **Council**

- Review and approve the Councils Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint / Engage External Auditors to report on financial statements annually.
- Establish and maintain a Risk Management and Audit Committee.

### **Risk Management and Audit Committee**

- Support Council to provide effective financial management, good corporate governance, foster ethical environment and maintain a system of internal controls and risk management.
- Oversight of all matters that relate to the conduct of Internal and External Audits.
- Oversight of Councils whistle blowing policy
- Must be independent, objective and autonomous in deliberations.
- Make recommendations to Council on External Auditor appointments.

### **CEO / Management Team**

- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues and trends.
- Document decisions and actions arising from 'risk matters'.
- Appoint Internal Auditors as required.
- Own and manage the Risk Profiles at Council Level.

### **Risk Framework Owner (RFO)**

- Oversee and facilitate the Risk Management Framework.
- Support risk reporting requirements.

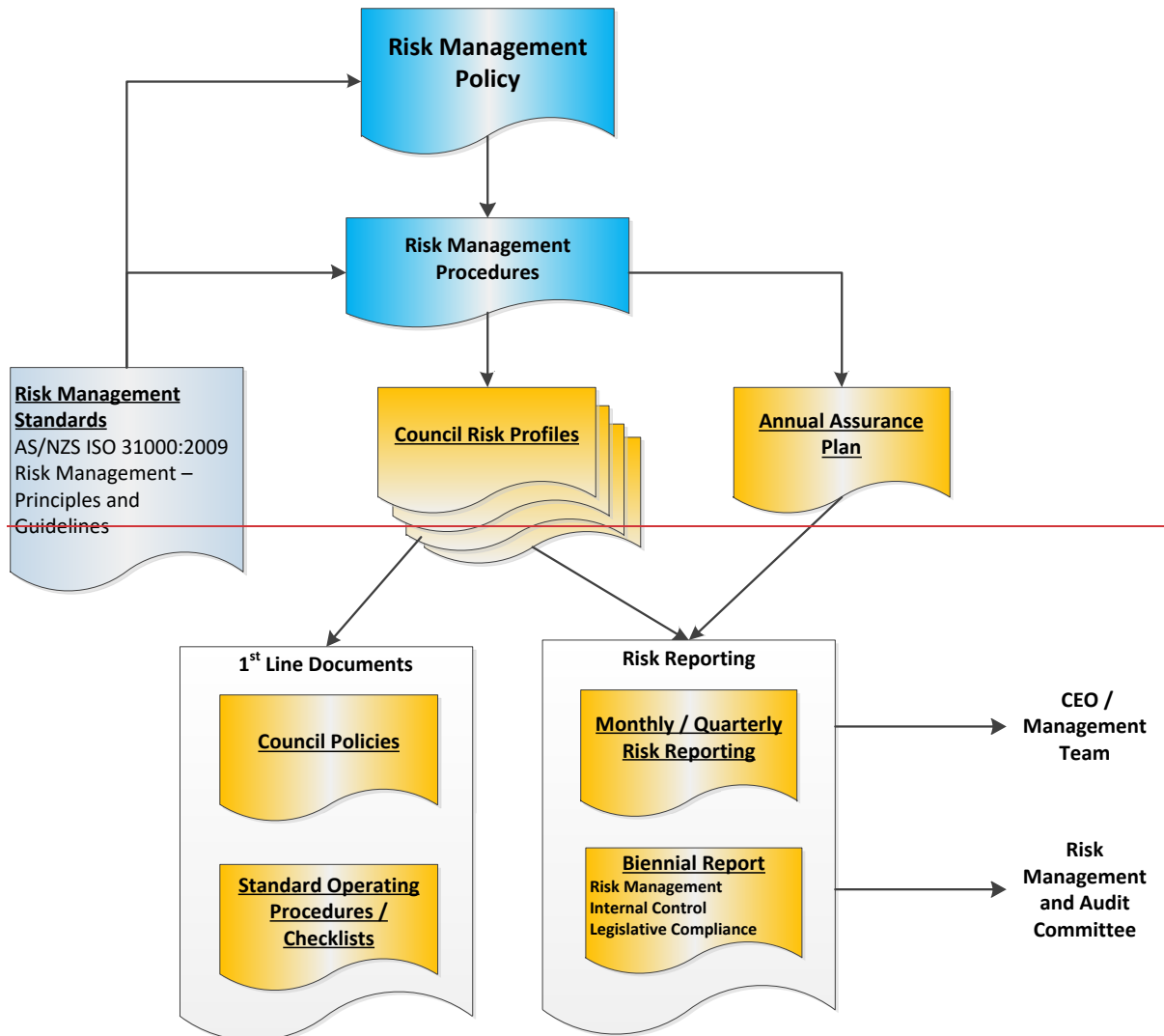
### **Work Areas**

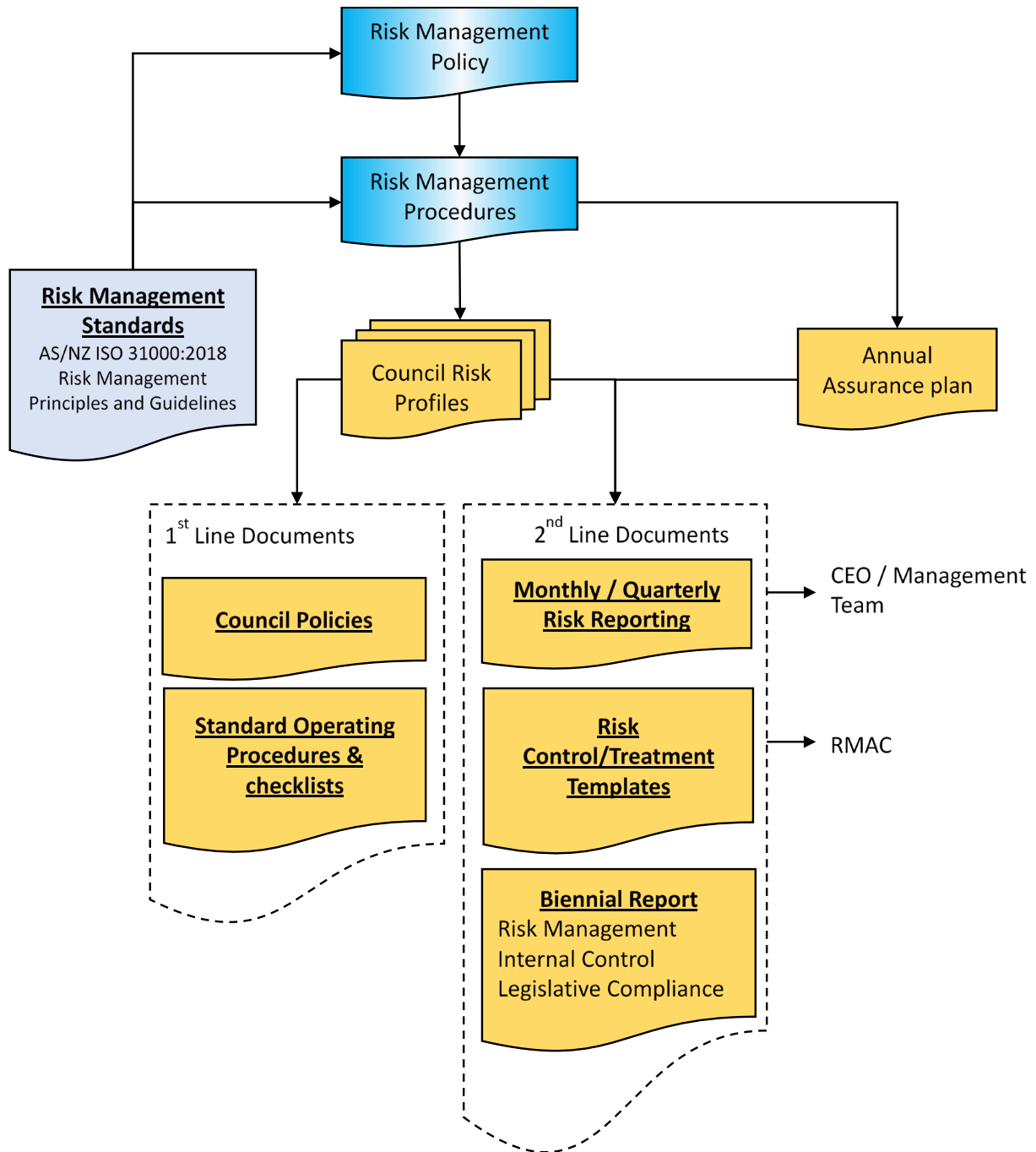
- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;
  - New or emerging risks.
  - Review existing risks.
  - Control adequacy.
  - Outstanding issues and actions.



## Document Structure

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.







## Risk & Control Management

All Work Areas of the Council are required to assess and manage the Risk Profiles on an ongoing basis.

Each Manager, in conjunction with the Risk Framework Owner (RFO) are accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Council.
- Reviewed on at least a six monthly basis, unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

### Risk & Control Assessment

To ensure alignment with ISO 31000:2018 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective.

#### Establishing the Context

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

##### **Organisational Context**

The Council's Risk Management Procedures provides the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix B) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix D) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Risk Framework Owner (RFO) and CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

##### **Specific Risk Assessment Context**

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. For risk assessment purposes the Council has been divided into three levels of risk assessment context:

#### Strategic Context

The Council's external environment and high-level direction. Inputs to establishing the strategic risk assessment context may include;

- Organisations Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Existing Strategies / Objectives / Goals



### Operational Context

The Council's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

### Project Context

Project Risk has two main components:

- **Risk in Projects** refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems) which may prevent the Council from meeting its objectives
- **Project Risk** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

### Risk Identification

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

- What can go wrong? / What are areas of uncertainty? (Risk Description)
- How may this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)
- What are the potential consequential outcomes of the risk eventuating?

### Risk Analysis

To analyse the risks the Council's Risk Assessment and Acceptance Criteria (Appendix B) is applied:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

### Risk Evaluation

The Council is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix B)
- Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and those risks that are acceptable are then subject to the monitor and review process.

Note: Individual Risks or Issues may need to be escalated due to its urgency, level of risk or systemic nature.

### **Risk Treatment**

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit
- Ease of implementation
- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Risk Framework Owner (RFO) is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

### **Monitoring & Review**

The Council is to review all Risk Profiles at least on a six monthly basis or if triggered by one of the following;

- changes to context,
- a treatment is implemented,
- an incident occurs or due to audit/regulator findings.

The Risk Framework Owner (RFO) is to monitor the status of risk treatment implementation and report on, if required.

The CEO & Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of Risk Summary report will be determined from time to time on the direction of the CEO & Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Council.

### **Communication & Consultation**

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

Risk management awareness and training will be provided to identified staff.

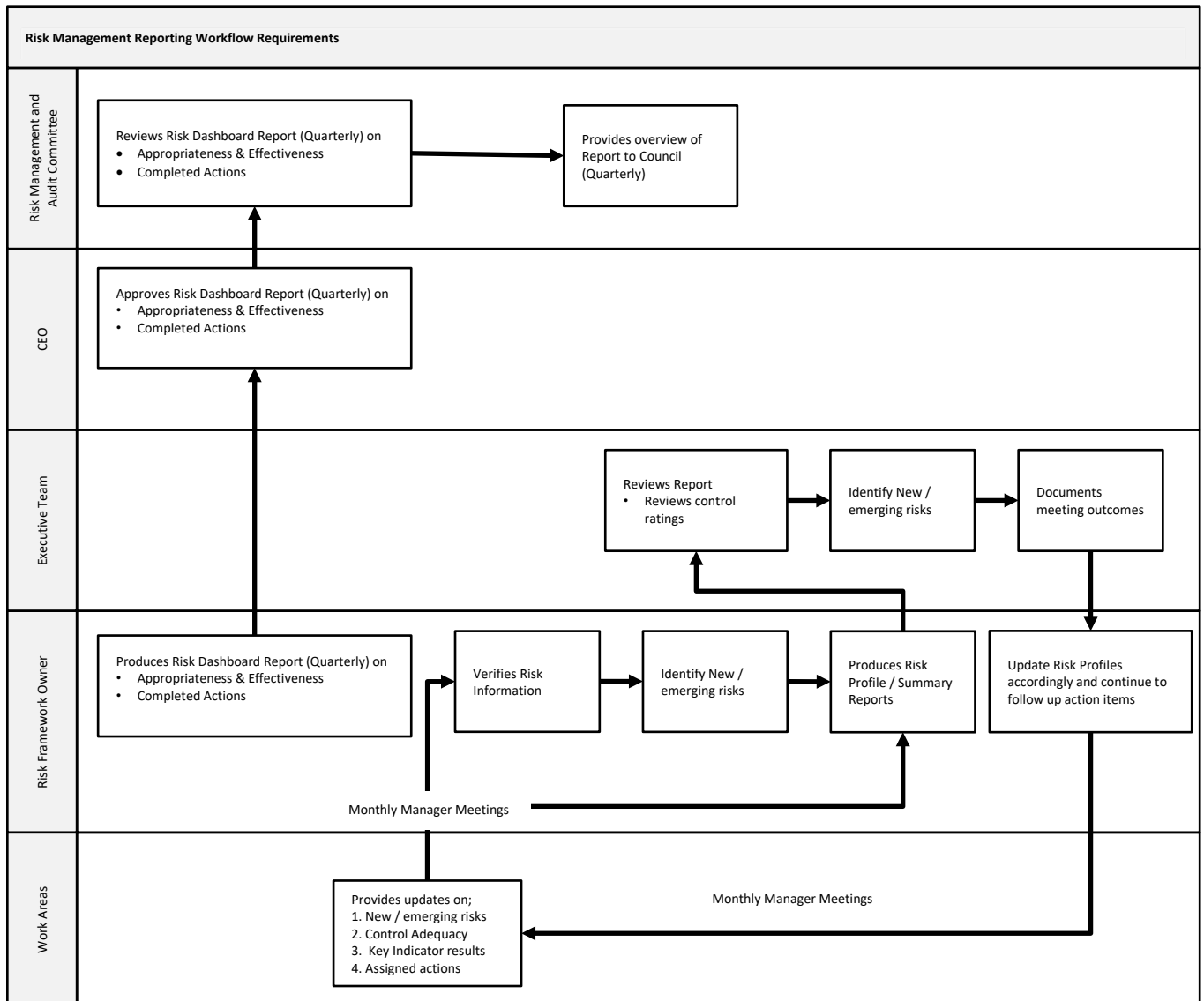
Risk management will be included within the employee induction process to ensure new employees are introduced to the Council's risk management culture.

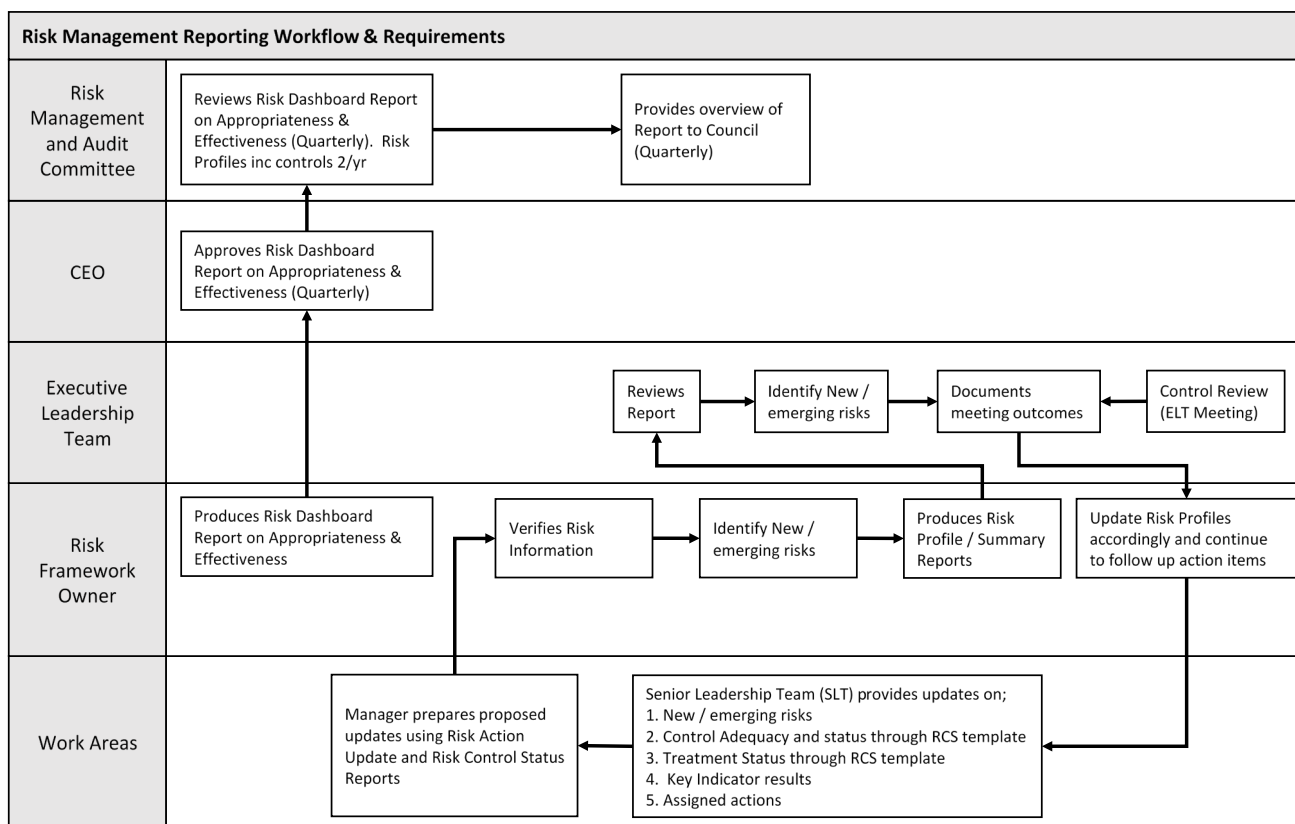


## Reporting Requirements

### Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.





Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new, emerging risks, control effectiveness and key indicator performance to the Risk Framework Owner (RFO).
- Work through assigned actions and provide relevant updates to the Risk Framework Owner (RFO).
- Risks / Issues reported to the CEO and Management Team are reflective of the current risk and control environment.

The Risk Framework Owner (RFO) is responsible for:

- Ensuring Council Risk Profiles are formally reviewed and updated, at least on a six monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment.
- Risk Reporting for the CEO and Management Team – Contains an overview of the Risk Summary for Council.

## Key Indicators

Key Indicators (KI's) may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of KIs:

- Identification
- Validity of Source
- Tolerances
- Monitor & Review





## Identification

The following represent the minimum standards when identifying appropriate KI's key risks and controls:

- The risk description and casual factors are fully understood
- The KI is fully relevant to the risk or control
- Predictive KI's are adopted wherever possible
- KI's provide adequate coverage over monitoring key risks and controls

## Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the KI data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping KI's can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the KI, the data is required to be revalidated to ensure reporting of the KI against a consistent baseline.

## Tolerances

Tolerances are set based on the Council's Risk Appetite. They are set and agreed over three levels:

- Green – within appetite; no action required.
- Amber – the KI must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.
- Red – outside risk appetite; the KI must be escalated to the CEO & Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

## Monitor & Review

All active KI's are updated as per their stated frequency of the data source.

When monitoring and reviewing KI's, the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the KI is specifically used as an input to the risk and control assessment.



## Risk Acceptance

Day to day operational management decisions are generally managed under the delegated authority framework of the Council.

Risk Acceptance is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix B – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks.

The 'Risk Acceptance' decision should document and cover:

- A description of the risk.
- An assessment of the risk (eg. Impact consequence, materiality, likelihood, working assumptions etc)
- Details of any mitigating action plans or treatment options in place
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (ie. Management Team)

## Annual Assurance Plan

The annual assurance plan is a monitoring schedule prepared by the Risk Framework Owner (RFO) that sets out the control assurance activities to be conducted over the next 12 months. This plan may include the following components.

- Existing control adequacy ratings across the Councils Risk Profiles.
- Consider control coverage across a range of risk themes (where commonality exists).
- Building profiles around material controls to assist in design and operating effectiveness reviews.
- Consideration to significant incidents.
- Nature of operations
- Additional or existing 2<sup>nd</sup> line assurance information / reviews (eg. HR, Financial Services, IT)
- Frequency of monitoring / checks being performed
- Review and development of Key Indicators
- Timetable for assurance activities
- Reporting requirements

Whilst this document and subsequent actions are owned by the Risk Framework Owner (RFO), input and consultation will be sought from individual Work Areas

## APPENDIX A– FIN08 RISK MANAGEMENT

Risk Management **FIN08**



Name	FIN08 Risk Management
Policy Type	Council Policy
Responsible Officer	Chief Executive Officer
Approval Date	16/11/2016
Review Date	16/11/2020
Document ID	LITCHFIELD-454211611-61

### 1 Purpose

Risk Management is an important part of Litchfield Council's corporate governance and covers areas such as strategic management, internal controls, business development, project management, finance, etc. It comprises procedures to mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded, legislation and council policies/rulings are complied with and financial reporting is accurate and reliable. Effective risk management in Council operations is critical in achieving its goals and objectives.

### 2 Principles

Council is committed to maintaining an effective risk management environment. This policy is based on the following principles:

- Managing risks relating to the stewardship of public resources requires effective internal controls.
- Council requires a framework for an effective risk management system which conveys to managers that they are responsible for ensuring that risks are identified, controls are established, documented, maintained and adhered to across the council and to all employees that they are responsible for adhering to those controls.
- Council must ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Council objectives through operational efficiency.

### 3 Definitions

For the purposes of this Policy, the following definitions apply:

Risk	The effect of uncertainty on objectives.
Risk Management	A coordinated set of activities and methods that is used to direct an organisation and to control the many risks that can affect its ability to achieve objectives.

### 4 Policy Statement

#### 4.1 The Risk Management Process

The process followed by Council in developing the framework shall be based on Australian/New Zealand Standard AS/NZS ISO 31000:2009.

- 4.1.1 Establish Goals & Context – Effective risk management requires a thorough understanding of the goals and context of Council to assist in establishing the assessment criteria for risk management.
- 4.1.2 Identify Risks – Identify the risks most likely to impact on the achievement of Council's objectives.
- 4.1.3 Analyse Risks – Assess effectiveness of risks in terms of likelihood and consequence to identify the current risk level.



<https://infoXpert.edrms/docs/Z%20REFERENCE%20LIBRARY/POLICIES/00%20Council/FIN08%20Risk%20Management.pdf?Login=True>

## Risk Management **FIN08**

- 4.1.4 Evaluate Risks – Determine whether the risks are acceptable or unacceptable and document findings.
- 4.1.5 Treat Risks – Treat risks by one of the following methods - discontinuing activity that generates it, reducing likelihood of occurrence, reducing consequence of occurrence, transfer the risk or retain the risk.
- 4.1.6 Consultation/Communication – These are important elements to ensure that all stakeholders understand why actions are required. These stakeholders include all staff and elected members.
- 4.1.7 Monitor/Review – Responsible officers must be identified for each internal control and provide feedback to managers on progress with controls. The Managers monitor the effectiveness of risk treatments and report progress to the Senior Management Team and the Audit Committee at regular intervals.
- 4.2 Risk Management Approach
  - 4.2.1 Council will maintain an internal control framework, which will be based upon a pro- active risk management culture.
  - 4.2.2 The types of risks identified in the framework will be those which may prevent council from meeting its objectives or not maximising its opportunities.
  - 4.2.3 It is recognised that all risks cannot be eliminated, however the internal controls applied should reduce the likelihood of the risk occurring to within acceptable limits of risk.
  - 4.2.4 Council will develop a culture that emphasises integrity, ethical values and competence.
- 4.3 Roles and Responsibilities
  - 4.3.1 The Chief Executive Officer is responsible for establishing Internal Controls and associated framework, which ensures Council objectives are achieved efficiently and effectively as required by Local Government (Accounting) Regulations section 10(1). Updates on changes to the framework will be presented to the Internal Audit Committee before being presented to Council for adoption.
  - 4.3.2 The Chief Executive Officer must adopt a risk management approach to identifying and assessing risks and apply cost/benefit analysis in the development of internal controls, and is responsible for ensuring Council employees conduct their duties in accordance with internal control policies, procedures and practices of Council.
- 4.4 Elements of the Internal Control Framework

The essential elements of an effective internal control framework are:

  - Structure and culture of Council;
  - Delegations of Authority;
  - Policies and procedures;
  - Trained and properly qualified staff;
  - Information Technology controls;
  - Review process e.g. internal audit;
  - Liaison with auditors and legal advisors;
  - Senior Management compliance assurance;
  - Risk identification and assessment.
- 4.5 Accounting and Policy Manual

Section 9 of the Local Government (Accounting) Regulations prescribes that a council must maintain an accounting and policy manual.





## Risk Management **FIN08**

The manual must include, or incorporate by reference, the following:

- a) an organisation chart showing the functions of the council, its committees and responsible officers;
- b) a statement of the duties and responsibilities of the CEO and responsible officers;
- c) a statement of the principal accounting policies of the council;
- d) information about the timing and content of financial management reports to the council and the CEO;
- e) a statement of the procedures the council considers necessary to facilitate the timely preparation of the council's annual financial statement;
- f) the information necessary to ensure the proper operation of any computer based accounting system in use;
- g) details of all administrative and accounting procedures, policies and delegations of authority, including:
  - I. details of internal control procedures; and
  - II. details of personnel and financial delegations; and
  - III. a chart of accounts divided into assets, liabilities, income, expenses and council equity accounts; and
  - IV. procedures relating to the receipt and banking of money, the payment of salaries and wages, the allocation of machinery operating costs to council functions, the purchase of goods and services and the granting of credit to council debtors.

#### 4.6 Review of Internal Controls Framework

4.6.1 This Policy will be reviewed annually.

4.6.2 The Litchfield Council Accounting and Policy Manual will be reviewed at least every twelve months following the annual financial audit to ensure all controls are current and appropriate. The Chief Executive Officer will inform the Risk Management and Internal Audit Committee of each review and update on progress with action plans identified during the reviews.

### **5** Associated Documents

Litchfield Council Policies

### **6** References and Related Legislation

Local Government Act and associated Regulations and Ministerial Guidelines  
Australian/New Zealand Standard AS/NZS ISO 31000:2009

### **7** Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)
19/11/2015	Policy Adopted
16/11/2016	Policy amended (16/0248)



## APPENDIX B– RISK ASSESSMENT AND ACCEPTANCE CRITERIA

### EXISTING CONTROLS RATING

LEVEL	RATING	FORESEEABLE	DESCRIPTION
E	Excellent	Doing more than what is reasonable under the circumstances	Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation
A	Adequate	Doing what is reasonable under the circumstances	Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation
I	Inadequate	Not doing some or all things reasonable under the circumstances	Existing controls do not provide confidence that they meet current legislated, regulatory and compliance requirements, and may not be aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation

### MEASURES OF CONSEQUENCE

LEVEL	1	2	3	4	5
RATING	Insignificant	Minor	Moderate	Major	Catastrophic
INJURY	Negligible injuries requiring no treatment	First aid injuries	Medical type injuries or lost time injury < 5 days	Serious injury requiring hospitalisation or lost time injury > 5 days	Death/(s) or permanent disability
FINANCIAL	Less than \$2,000	\$2,000 - \$10,000	\$10,001 - \$100,000	\$100,001 - \$2M	More than \$2M
SERVICE INTERRUPTION	No service impact	Brief service interruption – backlog cleared with existing resources	Temporary service interruption – backlog cleared by additional resources	Prolonged interruption of service area operations	Indeterminate prolonged interruption of critical core service deliverables – total shut down of operations
COMPLIANCE	Occasional noticeable temporary non-compliances – rectified internally with no impact	Regular noticeable temporary non-compliances – Council Mention	Non-compliance with significant regulatory requirements imposed – Council inquiry and report	Non-compliance results in termination of services or imposed penalties – Local Government Ministerial inquiry	Non-compliance results in criminal charges or significant damages or penalties
REPUTATION	Unsubstantiated, localised low impact on key stakeholder trust, low profile or no media item	Substantiated, localised impact on key stakeholder trust or low media item	Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile	Substantiated, public embarrassment, widespread high impact on key stakeholder trust, high media profile, third party actions	Substantiated, public embarrassment, widespread loss of key stakeholder trust, high widespread multiple media profile, third party actions
ENVIRONMENT	Contained, reversible impact managed by on site response	Contained, reversible impact managed by internal response	Contained, reversible impact managed by external agencies	Uncontained, reversible impact managed by a coordinated response from external agencies	Uncontained, irreversible impact to multiple ecosystems



## MEASURES OF LIKELIHOOD

LEVEL	RATING	DESCRIPTION
5	Almost Certain	The event is expected to occur several times each year ( <i>A known, regular issue</i> )
4	Likely	The event will probably occur once a year ( <i>Wouldn't be surprised if it happened</i> )
3	Possible	The event may occur during a 4 year period ( <i>A 50:50 chance it may happen</i> )
2	Unlikely	The event may occur during a 10 year period ( <i>Would be surprised if it happened</i> )
1	Rare	The event may only occur in exceptional circumstances ( <i>Would be extremely surprised if it ever happened</i> )

## RISK MATRIX

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	MODERATE (5)	HIGH (10)	HIGH (15)	EXTREME (20)	EXTREME (25)
Likely	4	LOW (4)	MODERATE (8)	HIGH (12)	HIGH (16)	EXTREME (20)
Possible	3	LOW (3)	MODERATE (6)	MODERATE (9)	HIGH (12)	HIGH (15)
Unlikely	2	LOW (2)	LOW (4)	MODERATE (6)	MODERATE (8)	HIGH (10)
Rare	1	LOW (1)	LOW (2)	LOW (3)	LOW (4)	MODERATE (5)

## RISK ACCEPTANCE CRITERIA

RISK RANK	LEVEL OF RISK	DESCRIPTION	CRITERIA FOR RISK ACCEPTANCE	RESPONSIBILITY
EXTREME	17 - 25	Urgent Attention Required	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council
HIGH	10 - 16	Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to frequent monitoring	Director General Manager / CEO
MODERATE	5 - 9	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to regular monitoring	Operational Manager
LOW	1 - 4	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager



## APPENDIX C – RISK PROFILE TEMPLATE

Risk Theme	Date																		
<b><u>This Risk Theme is defined as;</u></b> <i>Definition of Theme</i>																			
<b><u>Potential causes include;</u></b> <i>List of potential causes</i>																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d3d3d3;"> <th style="width: 45%;">Key Controls</th> <th style="width: 15%;">Type</th> <th style="width: 20%;">Date</th> <th style="width: 20%;">Rating</th> </tr> </thead> <tbody> <tr> <td><i>List of Key Controls</i></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Key Controls	Type	Date	Rating	<i>List of Key Controls</i>														
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## APPENDIX D – RISK THEME DEFINITIONS

### 1. Business and Community Disruption

Failure to adequately prepare and respond to events that cause disruption to the local community and/or normal Local Government business activities.

The event may result in damage to buildings, property, plant and equipment, lack of availability of key staff and/or interruptions to supply chain.

This does include;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads etc

Note: This does not include IT and/or communications systems and infrastructure related failures - refer "Failure of IT and/or Communication Systems and Infrastructure".

### 2. IT and/or Communication Systems and Infrastructure Failure

Instability, degradation of performance, or other failure of IT and/or Communication Systems and Infrastructure causing the inability to continue business activities and provide services to the community.

This may or may not result in IT Disaster Recovery Plans being invoked.

Note: This does not include new system implementations - refer "Inadequate Project/Change Management".

### 3. External Theft and Fraud (incl Cyber Crime)

Loss of funds, assets, data or unauthorised access, (whether attempts are successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

### 4. Misconduct

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority.

This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.

- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties
- Unauthorised and misuse of corporate systems and assets

Note: This does not include instances where it was not an intentional breach - refer Errors, Omissions, Delays and Incorrect Advice

## **5. Inadequate Safety and Security Practices**

Non-compliance with Health and Safety Legislation, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.

Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

## **6. Ineffective and Unsustainable Financial Management**

Failure to ensure Council manages its finances in a responsible and sustainable manner in the short and long term.

## **7. Inadequate Project/Change Management**

Inadequate analysis, design, delivery and/or status reporting of project and change initiatives, resulting in additional expenditure, time requirements, resource allocation or scope changes.

This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems

## 8. Errors, Omissions, Delays and Incorrect Advice

Errors, omissions, delays in operational activities or incorrect advice as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

## 9. Inadequate Document Management Processes

Failure to adequately capture, store, archive, retrieve, provide and / or dispose of documentation.

This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts
- Forms, requests or other documents.

## 10. Inadequate Procurement/Supplier/Contract Management

Inadequate management of External Suppliers, Contractors, ICT Vendors or Consultants engaged for core operations and the associated procurement. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.

## 11. Ineffective HR Management / Employment Practices

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding H&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

## 12. Failure to Fulfil Statutory, Regulatory or Compliance Requirements

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increased scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes.

Note: This includes the Local Government Act and all other legislative based obligations for Local Government. It does not include Health and Safety Legislation (refer to Inadequate Safety and Security Practices") or any Employment Practices based legislation (refer to Ineffective HR Management / Employment Practices)

## 13. Inadequate Asset Sustainability Practices

Failure or reduction in service levels of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal.

Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning..

Note: It does not include issues with the inappropriate use of the Plant, Equipment or Machinery (refer to Misconduct).

## 14. Inadequate Engagement Practices

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so.

## 15. Ineffective Management of Public Facilities/Venues/Events

Failure to effectively manage the day to day operations of public facilities, venues and/or events.

This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

## **16. Inadequate Environmental Management**

Inadequate prevention, identification, enforcement and management of environmental issues that Local Government is responsible or custodian. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.



## RMAC REPORT

<b>Agenda Item Number:</b>	8.3
<b>Report Title:</b>	Risk Register
<b>Author:</b>	Rebecca Taylor, Acting Manager People and Performance
<b>Recommending Officer:</b>	Maxie Smith, Acting General Manager Business Excellence
<b>Meeting Date:</b>	31/08/2022
<b>Attachments:</b>	A: Risk Register B: Control Documents

### Executive Summary

To update the RMAC on the risk profile, controls and action status as identified in the risk register, and to confirm the format and frequency of the committee receiving the risk register.

### Recommendation

THAT RMAC

1. Note the updated risk register at Attachment A; and
2. Note the completed action in the risk dashboard of the risk register, which will be removed from the action list and controls to be updated where required; and
3. Approve the new reporting arrangements for the risk register.

### Background

The risk register (as at Attachment A) forms part of the Risk Management Governance Framework for Litchfield Council and consists of 16 risk profiles. The summary dashboard provides updates as to the progress in implementing actions.

Since the risk register was last presented to RMAC in February, the following changes have been made;

#### Dashboard Actions

Only 9 actions remain and of these actions, 1 has been completed as per below.

Action	Due Date	Final Comment
Develop high level ICT business continuity plan (BCP) and Disaster. (Item 5.2.1)	Dec-19	June 2022 BCP completed and approved by RMAC at the June meeting. Action Completed.

## Controls

The following controls have been reviewed and updated:

Control	Control Rating	Risk Profile	Action
Records Management Strategy	Adequate	RP11	Records Management Strategy approved at February 2022 RMAC meeting. Control updated to adequate.
Outsource Management at Key Recreational Reserve (548476)	Adequate	PR10	Control reviewed and updated to adequate. Control document created (Attachment B).
Policies and Procedures - Sport and Recreation (548477)	Adequate	RP10	Control reviewed and updated to adequate. Control document created (Attachment B).
Asbestos Register (Doc ID 416357)	Inadequate	RP10, RP8	Control reviewed following an incident. Review revealed out of date asbestos audits. Control updated to inadequate.
Budgets to Support Public Facilities (548475)	Adequate	RP10	Control reviewed and updated to adequate. Control document created (Attachment B).
ICT Business Continuity Plan (Doc ID 438090)	Adequate	RP6	ICT Business Continuity Plan approved at June 2022 RMAC meeting. Control document updated.
PPE	Adequate	RP8	PPE control is a duplicate for <i>Staff Uniforms (protective)</i> (Doc ID 527403). Control removed.

As a result of the changes outlined above, the following table provides an overview of the current controls.

Control Ratings February 2022		Control Ratings August 2022	
Row Labels	Count of Control Rating	Row Labels	Count of Control Rating
Excellent	27	Excellent	27
Adequate	160	Adequate	160
Inadequate	29	Inadequate	28
<b>Total</b>	<b>216</b>	<b>Total</b>	<b>215</b>



There are currently five risk profiles where the appetite is not yet achieved. Work will continue to address this issue.

Risk Profile	Risk	Control
RP1 - Misconduct	Moderate	Adequate
RP2 - Business and Community Disruption	Moderate	Adequate
RP3 - Inadequate Environmental Management	Low	Adequate
RP4 - Errors, Omissions, Delays and Incorrect Advice	Moderate	Adequate
RP5 - External Theft and Fraud (inc. Cyber Crime)	Moderate	Adequate
RP6 - ICT Systems and Infrastructure Failure	Moderate	Adequate
RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements	Moderate	Adequate
RP8 - Inadequate Safety and Security Practices	High	Inadequate
RP9 - Ineffective and Unsustainable Financial Management	Moderate	Adequate
RP10 - Ineffective Management of Public Facilities / Venues / Events	Moderate	Inadequate
RP11 - Inadequate Records Management Processes	Moderate	Adequate
RP12 - Inadequate Project/Change Management	Moderate	Inadequate
RP13 - Inadequate Engagement Practices	Moderate	Adequate
RP14 - Inadequate Procurement / Supplier / Contract Management	High	Inadequate
RP15 - Inadequate Asset Sustainability Practices	Moderate	Inadequate
RP16 - Ineffective HR Management / Employment Practices	Moderate	Adequate

As per resolution from RMAC meeting held 1 June 2022;

*THAT the Risk Management & Audit Committee request that the Risk Register be provided to each Risk Management & Audit Committee meeting.*

It is proposed that the full risk register be presented to RMAC each quarter. In accordance with the Risk Management Governance Framework, the risk register will continue to be reviewed every 6 months, unless there has been a material restructure or change in the risk and control environment. This will mean that although the risk register will be tabled with the committee every quarter, there may only be significant changes every 6 months.

#### Links with Strategic Plan

Performance - An Effective and Efficient Organisation

#### Legislative and Policy Implications

This paper is consistent with FIN08 Risk Management and FIN09 Risk Management and Audit Committee. The risk framework meets Council's risk management compliance requirements.

Risks



Nil identified.

Financial Implications

Not applicable.

Community Engagement

Not applicable.

Litchfield Council Risk Dashboard Action Status Report				
RP6 - <a href="#">ICT Systems and Infrastructure Failure</a>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History
Implement Business Systems Review and develop Roadmap (Item 3.1.1)	Dec-19	Information Technology Program Leader		<p><a href="#">September 2019</a> - New Action</p> <p><a href="#">February 2020</a></p> <p>Parallel with the recommendations around Azure proposal and strategic planning around ICT (i.e. reduced architecture and reliance on on-premise servers and asset management, Business System Review planning to take place in 2020. Documentation and information from external sources to be secured in March 2020, with Draft Documentation due in April 2020.</p> <p><a href="#">Due May 2020</a></p> <p><a href="#">September 2020</a></p> <p>Azure proposal complete - In progress</p> <p><a href="#">December</a></p> <p>Servers to remain on premise until Gap analysis report as a key deliverable from ERP systems review project to advice timing or feasibility of moving to Software as a Service (SAAS) platform.</p> <p><a href="#">July 2021</a></p> <p>ERP Review - GAP analysis is in it's final stages. Meeting arranged with Civica to discuss how to address current GAP in product delivery</p> <p><a href="#">February 2022</a></p> <p>Hardware ROI requires &gt; 2 years</p>
Develop high level ICT business continuity plan (BCP) and Disaster. (Item 5.2.1)	Dec-19	Information Technology Program Leader		<p><a href="#">September 2019</a> - New Action</p> <p><a href="#">February 2020</a></p> <p>As per discussions with Governance and Risk Advisor – ICT BCP to be done in conjunction with overall BCP. BCP to drive the ICT Disaster Recovery documentation and recommendations. Due Date May 2020.</p> <p>Quote received from JLT to conduct 2 workshops and generate BCF for Council. Includes one session of scenario planning to test the framework. IT Business Continuity Plan commenced and will be incorporated into the whole of Council framework.</p> <p><a href="#">September 2020</a></p> <p>Workshop held with Leadership Team 21/8/20 - In progress</p> <p><a href="#">December</a></p> <p>Overall BCP for Council completed. ICT continuity draft plan to be presented to ET in March 2021. Action/treatment wording amended to include ICT BCP, to separate the overall BCP and the ICT specific BCP.</p> <p><a href="#">July 2021</a></p> <p>Was awaiting Council to adopt overarching BCP which has now happened. Require external advice to complete. Will seek quote as a priority once IT role is filled.</p> <p><a href="#">June 2022</a></p> <p>BCP completed and approved by RMAC at the June meeting. Action Completed.</p>
RP9 - <a href="#">Ineffective and Unsustainable Financial Management</a>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History
Review Developer Contribution Plan	Jun-18	Project Management Program Leader		<p><a href="#">7 August 2018</a></p> <p>Consultants have prepared a draft Developer Contribution Plan. Planning and Development Manager is currently reviewing for preparation to Council in October.</p> <p><a href="#">February 2019</a></p> <p>The new Developer Contribution Plan continues to be developed. Updates have been provided to Council. The detail of the contribution plan is 80% complete following a review of asset data and requirement of works assessment. Legal advice is required to be obtained and instructions for advice are being prepared. This is a complex project that has legislative requirements in its content and delivery and therefore is being processed in a manner to minimise the risk to Council of the plan being insufficient.</p> <p>Current target – completion by July 2019</p> <p><a href="#">November 2019</a></p> <p>Council's revised Developer Contribution Plan is currently under development and nearing completion. However, recently proposed amendments to the NT Planning Act propose changes to how fees noted within a DCP can be collected. It is also understood that updated Regulations that will accompany the amendments to the Act will result in changes to which assets Council can collect money for within a DCP. The proposed changes are expected to be of benefit to Council, allowing Council greater ability to collect fees from development contributing to upgrades and to collect money for all infrastructure assets requiring upgrades.</p> <p>Any DCP or changes to a DCP is required to undergo a 28-day public consultation prior to adoption. As a result, it is considered prudent to continue to develop the DCP with the proposed changes in mind. Then the finalised plan can be publicly exhibited and adopted once the changes are made to the NT Planning Act and associated Regulations. At this time, it is understood that the intention is for the updated Planning Act to be adopted in mid 2020, with the Regulations to follow shortly after.</p> <p>Legal advice is to wait until new act is passed then proceed with adoption. Expect completion September 2020.</p> <p><a href="#">February 2020</a></p> <p>Updates to Planning Act are due to be enacted by June 2020. Once enacted updates will need to be made to plan. Expect completion by October 2020</p> <p><a href="#">September 2020</a></p> <p>Now that the NT Planning ACT and Planning regulations have been updated by NTG, can proceed to finalising updated plan under the new requirements, for legal review and then community consultation if approved by Council.</p> <p><a href="#">December</a></p> <p>Council are expecting the DRAFT DCP from Aurecon in December/January</p> <p><a href="#">February 2021</a></p> <p>DRAFT DCP received from Aurecon, to be reviewed. DRAFT to be finalised and provided to lawyers by March.</p> <p><a href="#">July 2021</a></p> <p>The proposed development of Kowandi and Holtze, has highlighted some anomalies in the current DRAFT DCP. A workshop was held with Councillor's and it has been decided that a new approach to the DCP is required. Further review over the next 12 months.</p> <p><a href="#">February 2022</a></p> <p>As per above - work continues</p> <p><a href="#">August 2022</a></p> <p>With continued vacancies in the Planning section, no further updates have occurred.</p>

Litchfield Council Risk Dashboard Action Status Report				
Asset management plans in progress	Jul-18	Manager Infrastructure & Assets	<p>7 August 2018 The Thorak Cemetery asset management plan is drafted and with the Director of Community and Corporate Services for review. Once this has been developed it will be used as a template for plans for other Council assets (Council offices, Waste Transfer Stations, MWF workshop etc.). This action will be replaced by individual actions for each asset management plan to be developed.</p> <p>3 October 2018 1. Thorak Regional Cemetery – to be presented at Thorak Regional Cemetery Board meeting in September 2018 2. Roads – AMO is collecting background information now and will be drafted by November 2018 3. Plant &amp; Equipment – Not yet to start but will be prepared by December 2018 4. Driveways – Not yet to start but will be prepared by December 2018</p> <p>February 2019 Scheduled for all plans is in place and progressing 1. Thorak Regional Cemetery 2. Roads – Asset Management Plan (AMP) drafted – critical elements to be considered through budget consideration process prior to finalising 3. Plant &amp; Equipment – AMP drafted and replacement schedule being utilised to inform budget process 4. Driveways – AMP data collection, checking and updating underway Proposed target – the asset management plans are progressing to a schedule, with a target completion of December 2019 for all plans</p> <p><u>September 2019</u> Update on proposed targets to be presented to RMAC in Feb 2020</p> <p><u>February 2020</u> Report presented to March RMAC meeting</p> <p><u>September 2020</u> Asset management working group are meeting on 16/9/20. Will be reviewing membership and updating terms of reference for group. Working group will then review the prioritisation of the outstanding asset management plans.</p> <p><u>December</u> Asset management plan schedule confirmed by PACMan committee. 1. Thorak Cemetery - complete 2. Road assts - complete 3. Plant and Equipment - in draft due June 2021 4. Driveways - in draft due June 2021</p> <p><u>July 2021</u> Asset management plan schedule amended by PACMan committee. Driveways will be included in the Road Assets and the name will be changed to Transport Asset to be all inclusive. 1. Thorak Cemetery - complete 2. Plant and Equipment - in draft due October 2021 4. Transport - June 2022</p> <p><u>August 2022</u> 1. Thorak Cemetery - complete 2. Plant and Equipment - complete 4. Transport - June 2022</p>	
<a href="#">RP10 - Ineffective Management of Public Facilities / Venues / Events</a>		Risk	Control	
		Moderate	Inadequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History
Formalise Public Places By-Law	Jun-19	General Manager Business Excellence	<p><u>7 August 2018</u> No progress to date on this item as meeting procedure by-laws are still in development. A needs assessment will be commissioned to ascertain the I it is still beneficial for Council to proceed with the development of these by-laws.</p> <p><u>November 2018</u> Seeking Consultant to guide workshop with elected members in May 2019</p> <p><u>February 2019</u> This action is on hold pending the establishment of meeting procedure by-laws.</p> <p><u>February 2020</u> New consultant approached to facilitate workshop which will review Council's intent and capacity in line with updated NTG planning regs may impact this action.</p> <p><u>September 2020</u> On Hold - only to be actioned once Meeting Procedure by-laws have been finalised</p> <p><u>December 2020</u> Work is currently being undertaken on the status for a report to February Council meeting (meeting by-laws) In progress - rescind the decision to have meeting by-laws</p> <p><u>July 2021</u> meeting by-laws decision rescinded, February 2021; Parliamentary counsel require instructions for public places by-laws to be from incoming Council. Expect to have report to Council for October.</p> <p><u>February 2022</u> Council approved instructions for public places by-laws. Instructions are now sitting with NTG.</p> <p><u>August 2022</u> Instructions still remain with NTG, waiting for the availability of a draftsman.</p>	

Litchfield Council Risk Dashboard Action Status Report				
Develop Inspection/Maintenance program	Jun-18	Manager Infrastructure & Assets	<p><u>7 August 2018</u> Schedules have been completed and are with the relevant responsible officers for final review. Expect sign off by next RMAC meeting.</p> <p><u>2 Jan 2019</u> Development of maintenance schedule actions rolled up into one action for consistency and ease of reporting.</p> <p><u>February 2019</u> Inspection and maintenance plans are in place for Council's building assets, including safety and compliance requirements for reserves. Tree and playground inspection program under development.</p> <p>Proposed target - May 2019</p> <p><u>February 2020</u> <u>September 2020</u> Playground inspection/maintenance program in place Cemetery Reserves Supervisor now employed - expect Tree inspection program complete by Dec 2020</p> <p><u>December</u> Tree inspection program completed.</p> <p>Inspection/maintenance program required for buildings on reserves - assessing internal resourcing to determine whether building maintenance for reserves will remain with Community or be moved to Infrastructure. Program can then be developed.</p> <p>Drainage/footpaths - DRAFT inspection/maintenance schedule has been developed and implementation is due to start end of February.</p> <p><u>July 2021</u> Outstanding inspection maintenance programs remain in DRAFT form, to be implemented over the next few months.</p> <p><u>August 2022</u> With the current staff shortages, there has been no further development on this action.</p>	
Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv	Sep-18	General Manager Business Excellence	<p><u>February 2019</u> In progress. Library procedures to be included. Expect finalisation August 2019</p> <p><u>September 2019</u> On hold due to Interim CEO duties of DCCS</p> <p><u>February 2020</u> Draft procedures for events developed and under review</p> <p><u>September 2020</u> documentation around community services procedures in draft, Core Corporate service procedures in development</p> <p><u>December 2021</u> In progress</p> <p><u>August 2022</u> Core procedures and processes in progress</p>	
<a href="#">RP15 - Inadequate Asset Sustainability Practices</a>		Risk	Control	
		Moderate	Inadequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		Comments & Review History
Develop Asset Management Plan inc Asset costings to establish renewal program	Jul-18	Manager Infrastructure & Assets	<p><u>7 August 2018</u> The Thorak Cemetery asset management plan is drafted and with the Director of Community and Corporate Services for review. Once this has been developed it will be used as a template for plans for other Council assets (Council offices, Waste Transfer Stations, MWF workshop etc.). This action will be replaced by individual actions for each asset management plan to be developed</p> <p><u>February 2019</u> Refer to RP9:Asset management plans in progress. All asset management plans include renewal requirements.</p> <p><u>February 2020</u> In progress</p> <p><u>September 2020</u> Asset management working group are meeting on 16/9/20. Will be reviewing membership and updating terms of reference for group. Working group will then review the prioritisation of the outstanding asset management plans.</p> <p><u>December</u> Asset management plan schedule confirmed by PACMan committee.</p> <p>1. Thorak Cemetery - complete 2. Road assts - complete 3. Plant and Equipment - in draft due June 2021 4. Driveways - in draft due June 2021</p> <p><u>July 2021</u> Asset management plan schedule amended by PACMan committee. Driveways will be included in the Road Assets and the name will be changed to Transport Asset to be all inclusive.</p> <p>1. Thorak Cemetery - complete 2. Plant and Equipment - in draft due October 2021 4. Transport - June 2022</p> <p><u>August 2022</u> 1. Thorak Cemetery - complete 2. Plant and Equipment - complete 4. Transport - June 2022</p>	

Litchfield Council Risk Dashboard Action Status Report			
Develop Inspection/Maintenance program	Oct-18	General Manager Infrastructure & Operations	<p><u>7 August 2018</u> A draft maintenance schedule covering the Mobile Workforce, Waste Transfer Stations and the Administration building has been submitted to the Director of Infrastructure and Operations for review and is on track for October 2018 completion.</p> <p><u>February 2019</u> Inspection and maintenance plans are in place for Council's building assets, including safety and compliance requirements. Programs relating to all other infrastructure assets will be incorporated into relevant Asset Management Plans. Proposed target – key requirement is complete relating to buildings, all others to be complete by December 2019</p> <p><u>February 2020</u> In progress</p> <p><u>September 2020</u> Playground inspection/maintenance program in place Cemetery Reserves Supervisor now employed - expect Tree inspection program complete by Dec 2020</p> <p><u>December</u> Tree inspection program completed. Inspection/maintenance program required for buildings on reserves - assessing internal resourcing to determine whether building maintenance for reserves will remain with Community or be moved to Infrastructure. Program can then be developed. Drainage/footpaths - DRAFT inspection/maintenance schedule has been developed and implementation is due to start end of February.</p> <p><u>July 2021</u> Outstanding inspection maintenance programs remain in DRAFT form, to be implemented over the next few months</p> <p><u>August 2022</u> With the current staff shortages, there has been no further development on this action..</p>

RP1 - Misconduct				Jan-18
<b>This Risk Theme is defined as:</b> Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority.				
<i>This would include instances of:</i> <ul style="list-style-type: none"> <li>• Relevant authorisations not obtained.</li> <li>• Distributing confidential information.</li> <li>• Accessing systems and / or applications without correct authority to do so.</li> <li>• Misrepresenting data in reports.</li> <li>• Theft by an employee</li> <li>• Collusion between Internal &amp; External parties</li> <li>• Unauthorised and misuse of corporate systems and assets</li> </ul>				
This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.				
<b>Potential causes include:</b> <ul style="list-style-type: none"> <li>• Lack of Training</li> <li>• Changing of Job Titles / Roles</li> <li>• Delegated Authority Process Inadequately Implemented</li> <li>• Disgruntled Employees</li> <li>• Lack of Understanding</li> <li>• Poor Internal Checks (Supervision, PO's and Delegated Authority)</li> <li>• Password Sharing</li> </ul>				
<b>Key Controls</b>	<b>Type</b>	<b>Owner</b>	<b>Date</b>	<b>Rating</b>
Delegation Manual	Preventative	Manager People & Performance	14/09/2017	Adequate
Fraud Training	Preventative	Manager Corporate Services	14/09/2017	Adequate
Control of Devices Policy / Procedures	Preventative	Manager Corporate Services	14/09/2017	Inadequate
Electronic Document Management	Preventative	Manager People & Performance	14/09/2017	Adequate
On and Off Site Records Storage	Preventative	Manager People & Performance	14/09/2017	Adequate
Recruitment Process	Preventative	Manager People & Performance	14/09/2017	Adequate
Segregation of Duties (Financial)	Preventative	Manager Corporate Services	1/06/2018	Excellent
ICT Security Access Framework - Access and Approvals	Preventative	Manager Corporate Services	14/09/2017	Adequate
Internal / External Audits	Detective	Manager People & Performance	14/09/2017	Adequate
Induction Process (Code of Conduct)	Preventative	Manager People & Performance	14/09/2017	Adequate
Internet / Phone Usage Policy	Preventative	Manager Corporate Services	14/09/2017	Adequate
Fraud Protection Policies	Preventative	Manager Corporate Services	14/09/2017	Adequate
Credit Card Policy and Monthly Reporting	Detective	Manager Corporate Services	1/06/2018	Excellent
Disciplinary Procedures	Responsive	Manager People & Performance	14/09/2017	Adequate
Cash Handling Procedures	Preventative	Manager Corporate Services	14/09/2017	Adequate
Performance Review process	Detective	Manager People & Performance	30/11/2017	Adequate
Whistle Blower Policy	Preventative	Manager People & Performance	15/11/2017	Excellent
Ongoing Fraud and Misconduct Awareness Training/Information	Preventative	Manager Corporate Services	12/02/2018	Adequate
Purchasing Policy / Process (Purchase Order Process)	Preventative	Manager Corporate Services	14/09/2017	Adequate
<b>Overall Control Ratings:</b>				Adequate
<b>Risk Ratings</b>				<b>Rating</b>
<b>Consequence:</b>				Moderate
<b>Likelihood:</b>				Unlikely
<b>Overall Risk Ratings:</b>				Moderate
<b>Key Indicators</b>	<b>Tolerance</b>	<b>Date</b>	<b>Overall Result</b>	
Number of actual / attempted fraud and misconduct incidents				
<b>Comments</b>				
As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate financial, compliance and reputational impacts				
<b>Current Issues / Actions / Treatments</b>		<b>Due Date</b>	<b>Responsibility</b>	

**RP2 - Business and Community Disruption****Jan-18****This Risk Theme is defined as:**

Failure to adequately prepare and respond to events that cause disruption to the local community and/or normal Local Government business activities. The event may result in damage to buildings, property, plant and equipment, lack of availability of key staff and/or interruptions to supply chain.

**This does include;**

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads etc

Note: This does not include IT and/or communications systems and infrastructure related failures - refer "Failure of IT and/or Communication Systems and Infrastructure".

**Potential causes includes:**

- Cyclone, Storm Surges, Fire, Earthquake
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended Power Outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Owner	Date	Rating
Business Continuity Framework (Policy & Procedures)	Preventative	Manager People & Performance	14/09/2017	Inadequate
Business Continuity Plan	Responsive	Manager People & Performance	23/02/2021	Adequate
Cyclone Plan	Responsive	Manager Infrastructure & Assets	14/09/2017	Adequate
Fire Management Plan	Preventative	Manager Operations & Environment	14/09/2017	Excellent
Council Property Inspections for Compliance (Informal) (Doc id 458315)	Detective	Manager Infrastructure & Assets	27/02/2020	Adequate
Pre cyclone clean up	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Risk management framework (Doc id447380)	Preventative	Manager People & Performance	3/03/2020	Adequate
Risk management and audit committee (Doc id 447381)	Preventative	Manager People & Performance	3/03/2020	Adequate
Emergency Management Procedures/Drills	Responsive	Manager Operations & Environment	14/09/2017	Adequate
Overall Control Ratings:				Adequate

Risk Ratings		Rating
Consequence:		Moderate
Likelihood:		Unlikely

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Result
Vegetation slashing and mowing of 900kms of road network before July fire bans	2 rounds		
Fire breaks and road reserve slashing of 1000kms within Council excised land	>75%		
Lost time due to plant and equipment breakdown	<20hrs		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate service interruption, reputation and environmental impacts. Noting the risk refers to Councils ability to adequately and appropriately fulfil its role and responsibilities to prepare and/or respond to a disruptive event, not the disruptive event itself.

Current Issues / Actions / Treatments	Due Date	Responsibility



**RP3 - Inadequate Environmental Management****Jan-18****This Risk Theme is defined as:**

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

**Potential causes include:**

- Inadequate Management of Landfill Sites
- Lack of Understanding / Knowledge
- Inadequate Local Laws / Planning Schemes
- Inadequate Reporting / Oversight Frameworks
- Community Apathy
- Heavy Vehicles on Reserves

Key Controls	Type	Owner	Date	Rating
WTS Environmental Management Plans (Doc id 447588)	Preventative	Manager Operations & Environment	21/11/2019	Adequate
Waste Management Strategy	Preventative	Manager Operations & Environment	1/06/2018	Excellent
Contamination Register - MWF	Detective	Manager Operations & Environment	21/12/2018	Inadequate
Contamination Register - Thorak (Doc id 428179)	Detective	Manager Operations & Environment	26/04/2019	Adequate
Asbestos Register (Doc ID 416357)	Detective	Manager Infrastructure & Assets	14/09/2017	Excellent
Weed Control Schedule	Preventative	Manager Operations & Environment	14/09/2017	Adequate
Support Local Environmental Groups	Preventative	Manager Operations & Environment	14/09/2017	Adequate
Environmental Management / Response Plans	Responsive	Manager Operations & Environment	14/09/2017	Inadequate
Erosion Control Road Side Drains	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Reporting of Listed Waste	Preventative	Manager Operations & Environment	14/09/2017	Adequate
Landfill Rehabilitation	Preventative	Manager Operations & Environment	14/09/2017	Adequate
Ranger (Dogs) Service (Doc ID 415880)	Preventative	Manager Operations & Environment	14/09/2017	Adequate
<b>Overall Control Ratings:</b>				<b>Adequate</b>

Risk Ratings	Rating
<b>Consequence:</b>	Moderate
<b>Likelihood:</b>	Rare

<b>Overall Risk Ratings:</b>	<b>Low</b>
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Key Indicators	Tolerance	Date	Overall Result
Weed spraying roadside furniture and target Gamba grass and classified weeds	150000L		
Waste tonnage transferred to Shoal Bay	<10000t		
% of green waste received that is on-sold as mulch	>80%		
% of erosion repairs to road side drainage	?		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to environmental impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

**RP4 - Errors, Omissions, Delays and Incorrect Advice****Jan-18****This Risk Theme is defined as:**

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

**Potential causes include:**

- Human Error
- Inadequate Procedures or Training
- Lack of Staff (or trained staff)
- Incorrect Information
- Miscommunication

Key Controls	Type	Owner	Date	Rating
Documented Operational Procedures / Checklists (Doc ID 408679)	Preventative	Manager People & Performance	14/09/2017	Inadequate
Complaints and Requests Register (CRM)	Detective	Manager Corporate Services	14/09/2017	Inadequate
Senior Manager Oversight to Elected Members Information	Detective	Manager People & Performance	14/09/2017	Adequate
Utilise External Expertise / Consultants	Preventative	Manager People & Performance	14/09/2017	Adequate
Segregation of Duties (Financial Control)	Preventative	Manager Corporate Services	14/09/2017	Adequate
Performance Review Process	Detective	Manager People & Performance	14/09/2017	Adequate
Media and Communications Resource	Preventative	Manager Communications & Community	14/09/2017	Adequate
Development and Subdivision Standards (Doc id 419760)	Preventative	Manager Infrastructure & Assets	9/01/2019	Adequate
Staff Meetings (Briefings / Debriefings)	Preventative	Manager People & Performance	14/09/2017	Adequate

**Overall Control Ratings:** Adequate

Risk Ratings		Rating
Consequence:		Moderate
Likelihood:		Possible

**Overall Risk Ratings:** Moderate

Key Indicators	Tolerance	Date	Overall Result
Issue work permits associated with a Development Permit with in 5 days	90%		
Issue clearances for development	<10days		
Investigations completed within 14 days	>90%		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate reputational and financial impacts. Noting that this level of risk may be realised through incorrect approvals.

Current Issues / Actions / Treatments	Due Date	Responsibility
Formalise Procedures, Documentation and Checklists for Core Operations - Works	Apr-18	Manager Infrastructure & Assets
Review the CRM system	Oct-18	General Manager Business Excellence

**RP5 - External Theft and Fraud (inc. Cyber Crime)****Jan-18****This Risk Theme is defined as:**

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

**Potential causes include:**

- Inadequate Security of Equipment / Supplies / Cash
- Robbery
- Scam Invoices
- Lack of Supervision / Unauthorised Entry

Key Controls	Type	Owner	Date	Rating
Visitor Sign In	Detective	Manager Corporate Services	14/09/2017	Adequate
Keyed Access Controls - Admin Building	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Monitored Alarm - Admin Building	Detective	Manager Infrastructure & Assets	14/09/2017	Adequate
Cash Handling procedures	Preventative	Manager Corporate Services	14/09/2017	Adequate
Staff Inductions	Preventative	Manager People & Performance	14/09/2017	Adequate
Restricted and Registered Keys	Preventative	Manager Corporate Services	14/09/2017	Adequate
After Hours Security	Detective	Manager Infrastructure & Assets	14/09/2017	Adequate
System Checks for New Creditors	Preventative	Manager Corporate Services	14/09/2017	Adequate
Access Control for Online Banking (Dual Signatory)	Preventative	Manager Corporate Services	14/09/2017	Adequate
Delegation Manual	Preventative	Manager People & Performance	14/09/2017	Adequate
Disposal of assets process/forms	Detective	Manager Corporate Services	30/11/2017	Adequate
Credit Card policy	Preventative	Manager Corporate Services	1/06/2018	Excellent
Investment policy	Preventative	Manager Corporate Services	1/06/2018	Excellent
Audit reports (Monthly report, Weekly AP report)	Preventative	Manager Corporate Services	1/06/2018	Excellent
Separation of Duties	Preventative	Manager People & Performance	1/06/2018	Excellent
Invoice approval process	Preventative	Manager Corporate Services	30/11/2017	Adequate
Manned Access Control at Off-site Locations (Except BSWTS)	Preventative	Manager Operations & Environment	14/09/2017	Adequate
Asset Management System - Asset Register (Doc id 458336)	Detective	Manager Corporate Services	27/02/2020	Adequate
CCTV	Detective	Manager Infrastructure & Assets	14/09/2017	Adequate
IT Firewall Systems	Preventative	Manager Corporate Services	14/09/2017	Adequate

**Overall Control Ratings:****Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely

**Overall Risk Ratings:****Moderate**

Key Indicators	Tolerance	Date	Overall Result
Number of actual / attempted theft and fraud incidents			

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

**RP6 - ICT Systems and Infrastructure Failure****Jan-18****This Risk Theme is defined as:**

Instability, degradation of performance, or other failure of ICT Systems and Infrastructure causing the inability to continue business activities and provide services to the community.

This may or may not result in IT Disaster Recovery Plans being invoked.

This does not include new system implementations - refer "Inadequate Project / Change Management".

**Potential causes include:**

- Weather impacts
- Vendor Failures
- Outdated / inefficient hardware
- Sabotage
- Power failure
- Infrastructure Breakdown
- Lack of Training
- Lack of Configuration Management

Key Controls	Type	Owner	Date	Rating
Data Back Up Systems (manual process) (DOC ID. 438060)	Responsive	Manager Corporate Services	24/01/2020	Excellent
Performance Monitoring (DOC ID. 438119)	Detective	Manager Corporate Services	20/08/2019	Adequate
UPS / Generator (DOC ID. 438122)	Responsive	Manager Corporate Services	20/08/2019	Excellent
ICT Business Continuity Plan (Doc ID. 438090)	Responsive	Manager Corporate Services	14/11/2019	Adequate
ICT Infrastructure Replacement / Refresh Program (DOC ID. 438116)	Preventative	Manager Corporate Services	14/11/2019	Adequate
ICT Governance/Policy Framework (Doc ID. 394988 & 438114)	Preventative	Manager Corporate Services	28/08/2019	Adequate
Internal Service Level Agreements (Doc ID. 438120)	Preventative	Manager Corporate Services	20/08/2019	Adequate
Microwave Connection with Off-site Locations (Doc ID 438118)	Responsive	Manager Corporate Services	18/11/2019	Adequate
Telstra land lines (Doc ID 438121)	Preventative	Manager Corporate Services	18/11/2019	Adequate
Land Lines at Off-site Locations (Thorak and Waste Transfer Stations) DOC IDs 394993 & 438121	Preventative	Manager Corporate Services	18/11/2019	Adequate
Vendor Support (Doc ID 439170)	Preventative	Manager Corporate Services	18/11/2019	Adequate
ICT Improvement Plan (Doc id 448415)	Preventative	Manager Corporate Services	3/03/2020	Adequate
ICT Access Control and Approval Procedures (438106)	Preventative	Manager Corporate Services	14/11/2019	Adequate

**Overall Control Ratings:****Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible

**Overall Risk Ratings:****Moderate**

Key Indicators	Tolerance	Date	Overall Result
Acknowledgement of the lodgement of technology issue	<1day		
Resolution of Category 1 Urgent technology issue	<2days		
Resolution of Category 2 Moderate technology issue	<5days		
Resolution of Category 3 Non-urgent technology issue	<15days		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate service interruption and compliance impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Implement Business Systems Review and develop Roadmap (Item 3.1.1)	Dec-19	Information Technology Program Leader
Develop high level ICT business continuity plan (BCP) and Disaster. (Item 5.2.1)	Dec-19	Information Technology Program Leader
ICT Security Audit 2020 - Actions	Dec-21	Information Technology Program Leader

## RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements

Jan-18

### This Risk Theme is defined as:

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

It does include the Local Government Act and all other legislative based obligations for Local Government. This **does not** include Safety & Health Legislation (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective HR Management / Employment practices")

### Potential causes include:

- Lack of Training, Awareness and Knowledge
- Staff Turnover
- Inadequate Record Keeping
- Ineffective Processes
- Lack of Legal Expertise
- Councillor Turnover
- Breakdowns in Tender process
- Ineffective Monitoring of Changes to Legislation

Key Controls	Type	Owner	Date	Rating
Compliance Checklist	Detective	Manager People & Performance	14/09/2017	Adequate
Compliance Calendars	Preventative	Manager People & Performance	14/09/2017	Adequate
Councils Policy Framework	Preventative	Manager People & Performance	14/09/2017	Adequate
External Auditor Reviews (Financial Compliance)	Detective	Manager People & Performance	14/09/2017	Adequate
External/ Internal Auditor Reviews (Other Compliance)	Detective	Manager People & Performance	14/09/2017	Inadequate
Monitor Legislative Changes / Subscriptions	Detective	Manager People & Performance	14/09/2017	Adequate
Induction Process - Councillors / Staff	Preventative	Manager People & Performance	14/09/2017	Adequate
Staff Network Channels	Detective	Manager People & Performance	14/09/2017	Adequate
Legislative Reporting to Regulators	Detective	Manager People & Performance	14/09/2017	Adequate
Internal Compliance Audit - Quarterly	Detective	Manager People & Performance	14/09/2017	Adequate
Scheduled Review of Council Policies and Delegations	Detective	Manager People & Performance	14/09/2017	Adequate
Tender Process	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Road Openings and Road Closures Procedures (Doc id 420364)	Preventative	Manager Infrastructure & Assets	11/01/2019	Excellent
Annual review of external auditor by RMAC	Preventative	Manager Corporate Services	3/03/2020	Adequate
Dog By-laws administration (Doc id 456989)	Preventative	Manager Regulatory Services	27/02/2020	Excellent
Internal Audit Program (Doc ID 417918)	Detective	Manager People & Performance	8/05/2018	Excellent

Overall Control Ratings: Adequate

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Result
Compliance with management, statutory and regulatory budgeting and reporting	100%		
Compliance with legislative requirements as per DOLG Compliance Checklist	100%		
Risk Management Audit Committee Meetings	4 per year		
Internal Audits conducted as defined in Annual Internal Audit Program	3 per year		
Replace non-compliant signs in the signage program to Australian Standards	100%		
Compliance with Cemetery regulations	100%		

### Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major compliance impact

Current Issues / Actions / Treatments	Due Date	Responsibility

**RP8 - Inadequate Safety and Security Practices****Jan-18****This Risk Theme is defined as:**

Non-compliance with the Health and Safety Legislation, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.

**Other considerations are:**

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

**Potential causes include:**

- Lack of Appropriate PPE / Equipment
- Inadequate Signage, Barriers or other Exclusion Techniques
- Inadequate First Aid Supplies or Trained Staff
- Storage and Use of Dangerous Goods
- Rubbish / Litter Control
- Ineffective / Inadequate Testing, Sampling (similar) Health Based Req
- Inadequate Security Arrangements
- Lack of Mandate and Commitment from Senior Management

Key Controls	Type	Owner	Date	Rating
Workplace Inspections - Off-site Locations	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Workplace Inspections - Administration	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
WHS Policy	Preventative	Manager People & Performance	14/09/2017	Adequate
Safety Management System/Framework	Preventative	Manager People & Performance	23/02/2021	Adequate
Contractor Inductions / Safety Requirements (Doc ID 527766)	Preventative	Manager People & Performance	12/01/2022	Inadequate
Toolbox Meetings	Preventative	Manager People & Performance	14/09/2017	Adequate
Inventory Hazardous Goods and MSDS (Doc ID 527594)	Preventative	Manager Operations & Environment	12/01/2022	Adequate
Staff Uniforms (protective) (Doc ID 527403)	Preventative	Manager Operations & Environment	12/01/2022	Adequate
Training Register (HR File)	Preventative	Manager People & Performance	14/09/2017	Inadequate
Operator License Checks (Outdoor Workforce)	Detective	Manager People & Performance	14/09/2017	Adequate
Driver License Checks	Detective	Manager People & Performance	14/09/2017	Excellent
Asbestos Register (Doc ID 416357)	Detective	Manager Infrastructure & Assets	16/08/2022	Inadequate
Fleet Vehicle and plant Safety Requirements	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Conflict Resolution Training - Frontline Staff (Doc ID 526934)	Preventative	Manager People & Performance	12/01/2022	Inadequate
Fire Safety Systems Check (Doc id 458348)	Detective	Manager Infrastructure & Assets	27/02/2020	Excellent
Electrical Tag and Test (Doc ID 416358)	Detective	Manager Infrastructure & Assets	27/02/2020	Adequate
Incident/Accident and Damage Reporting	Detective	Manager People & Performance	14/09/2017	Adequate
Staff Inductions	Preventative	Manager People & Performance	14/09/2017	Adequate
Insurance Cover (Doc ID 526953)	Preventative	Manager People & Performance	12/01/2022	Adequate
Works Permit – Public Liability Insurance (Doc id 419761)	Preventative	Manager Infrastructure & Assets	9/01/2019	Adequate
first aid kits and fire extinguishers in all Council vehicles	Preventative	Manager Infrastructure & Assets	8/05/2018	Excellent

**Overall Control Ratings:****Inadequate****Risk Ratings****Rating****Consequence:**

Major

**Likelihood:**

Possible

**Overall Risk Ratings:****High**

Key Indicators	Tolerance	Date	Overall Result
Number of WorkSafe Notifiable Incidents			
Lost Time Injuries			
Public liability Insurance claims			

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major injury, financial and compliance impacts. Note the inadequate overall control rating is from the perspective of Council as an organisation and may not be reflective of individuals and/or individual work areas approaches to safety.

Current Issues / Actions / Treatments	Due Date	Responsibility

## RP9 - Ineffective and Unsustainable Financial Management Jan-18

**This Risk Theme is defined as:**

Failure to ensure Council manages its finances in a responsible and sustainable manner in the short and long term.

**Potential causes include:**

- Historical Legacy
- Uncertainty of Funding Sources
- Lack of Information (Assets, Debtors)
- Lack of Policy Framework
- Investment Performance
- Council Decisions

Key Controls	Type	Owner	Date	Rating
Long Term Financial Plans	Preventative	Manager Corporate Services	14/09/2017	Adequate
Finance Reports Monthly	Detective	Manager Corporate Services	14/09/2017	Adequate
Internal Audit Program (Doc ID 417918)	Detective	Manager People & Performance	8/05/2018	Adequate
External Audit Program	Detective	Manager Corporate Services	14/09/2017	Adequate
Delegation Manual	Preventative	Manager People & Performance	14/09/2017	Adequate
General Ledger and Journal control	Preventative	Manager Corporate Services	14/09/2017	Adequate
Finance Policies	Preventative	Manager Corporate Services	14/09/2017	Adequate
Segregation of Duties	Preventative	Manager Corporate Services	14/09/2017	Adequate
Developer Contribution Plan (Doc ID 415869)	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Budgets - Reviews	Preventative	Manager Corporate Services	14/09/2017	Adequate
Project management of capital projects	Preventative	Manager Infrastructure & Assets	30/11/2017	Adequate
Rating strategy	Preventative	Manager Corporate Services	30/11/2017	Adequate
Investment policy	Preventative	Manager Corporate Services	30/11/2017	Adequate
Asset management system - Capital value records	Preventative	Manager Corporate Services	30/11/2017	Adequate
Grant acquittal	Preventative	Manager Corporate Services	30/11/2017	Adequate
Rating parameters approval by Finance Manager	Preventative	Manager Corporate Services	30/11/2017	Excellent
Debt Recovery - processes and agreements	Responsive	Manager Corporate Services	14/09/2017	Excellent
Risk Management and Audit Committee (Doc id 447381)	Detective	Manager People & Performance	3/03/2020	Adequate
Asset Management Plans	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Rating Policy	Preventative	Manager Corporate Services	14/09/2017	Adequate
Annual review of financial manuals and procedures	Preventative	Manager Corporate Services	23/02/2021	Adequate
Asset Valuations (Doc id 458338)	Preventative	Manager Infrastructure & Assets	27/02/2020	Excellent

Overall Control Ratings:

Adequate

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely

Overall Risk Ratings:

Moderate

Key Indicators	Tolerance	Date	Overall Result
Current Years Rates Outstanding	<15%		
Rates Coverage Ratio	>50%		
Liquidity Ratio	>1:1		
Asset Sustainability Ratio	90%		
Grants Acquired Within Timeframes	100%		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Developer Contribution Plan	Jun-18	Project Management Program Leader
Asset management plans in progress	Jul-18	Manager Infrastructure & Assets

RP10 - Ineffective Management of Public Facilities / Venues / Events				Jan-18
<b>This Risk Theme is defined as:</b> Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes; • Inadequate procedures in place to manage the quality or availability. • Ineffective signage • Booking issues • Financial interactions with hirers / users • Oversight / provision of peripheral services (eg. cleaning / maintenance)				
<b>Potential causes include:</b> • Double Bookings • Illegal Alcohol Consumption • Managing Bond Payments • Animal / Pest Contamination. • Reliance on External Management of Facilities • Access to Facilities / Venues.				
Key Controls	Type	Owner	Date	Rating
Booking / Permit System	Preventative	Manager Communications & Community	14/09/2017	Adequate
Inspection and Maintenance Program - Other Assets (Doc id 458319)	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Community Feedback Process	Detective	Manager Communications & Community	14/09/2017	Adequate
Event Management, Risk Assessments, Emergency Procedures (Doc id 458494)	Preventative	Manager Communications & Community	2/03/2020	Inadequate
Outsource Management at Key Recreational Reserve (548476)	Preventative	Manager Communications & Community	4/08/2022	Adequate
Policies and Procedures - Sport and Recreation (548477)	Preventative	Manager Communications & Community	4/08/2022	Adequate
Conditions of Entry to Public Facilities	Preventative	Manager Communications & Community	14/09/2017	Adequate
Community Events Procedures on Public Land	Preventative	Manager Communications & Community	14/09/2017	Adequate
Public Building Compliance	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Alcohol Management	Preventative	Manager Communications & Community	14/09/2017	Adequate
Noise Management	Preventative	Manager Communications & Community	14/09/2017	Adequate
Asbestos Register (Doc ID 416357)	Preventative	Manager Infrastructure & Assets	16/08/2022	Inadequate
Removal of abandoned vehicles (Doc id 456987)	Preventative	Manager Regulatory Services	27/02/2020	Adequate
Tree management plan	Preventative	Manager Operations & Environment	3/03/2020	Adequate
Playground inspection program	Preventative	Manager Operations & Environment	3/03/2020	Adequate
Budgets to Support Public Facilities (548475)	Preventative	Manager Communications & Community	4/08/2022	Adequate
Overall Control Ratings:				Inadequate
Risk Ratings			Rating	
Consequence:			Moderate	
Likelihood:			Possible	
Overall Risk Ratings:				Moderate
Key Indicators	Tolerance	Date	Overall Result	
Overall community satisfaction from Annual Community Survey	>70%			
Number of community events				
<b>Comments</b>				
As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate people and reputational impacts. Noting that Council has less control of this risk on public lands through reserve management.				
Current Issues / Actions / Treatments		Due Date	Responsibility	
Formalise Public Places By-Law		Jun-19	General Manager Business Excellence	
Develop Inspection/Maintenance program		Jun-18	Manager Infrastructure & Assets	
Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv		Sep-18	General Manager Business Excellence	



**RP11 - Inadequate Records Management Processes****Jan-18****This Risk Theme is defined as:**

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of records and documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts
- Forms, requests or other documents.

**Potential causes include:**

- Spreadsheet/Database/Document Corruption or Loss
- Inadequate Access and/or Security Levels
- Inadequate Storage Facilities
- Staff Turnover / Loss of Corporate Knowledge
- Outdated Record Keeping Practices / Incompatible Systems
- Lack of System/Application Knowledge
- High Workloads and Time Pressures
- Incomplete Authorisation Trails

Key Controls	Type	Owner	Date	Rating
Central Record Systems (EDMS)	Preventative	Manager People & Performance	14/09/2017	Adequate
Records Management Committee	Preventative	Manager People & Performance	14/09/2017	Adequate
Records Management Process (Doc id 419406)	Preventative	Manager People & Performance	2/01/2019	Adequate
Records Management Policy (Doc id 419406)	Preventative	Manager People & Performance	2/01/2019	Adequate
Document / Correspondence Receipt / Action Process	Preventative	Manager People & Performance	14/09/2017	Adequate
On and Off Site Records Storage (Doc id 419960)	Preventative	Manager People & Performance	4/01/2019	Adequate
Records Management Strategy	Preventative	Manager People & Performance	23/02/2022	Adequate

**Overall Control Ratings:****Adequate**

Risk Ratings	Rating
Consequence:	Minor
Likelihood:	Possible

**Overall Risk Ratings:****Moderate**

Key Indicators	Tolerance	Date	Overall Result
Incoming documents entered into records management system	<1day		
Staff using records management system	>80%		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate compliance impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Records Management Audit		Manager People & Performance

**RP12 - Inadequate Project/Change Management****Jan-18****This Risk Theme is defined as:**

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes.

**This includes:**

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems

**Potential causes include:**

- Lack of Communication and Consultation
- Lack of Investment
- Ineffective Management of Expectations (Scope
- Inadequate Project Planning (Resources/Budget)
- Lack of Project Methodology Knowledge and Reporting Requirements
- Inadequate Monitoring and Review
- Project Risks not Managed Effectively

Key Controls	Type	Owner	Date	Rating
Project Management Framework (Project Methodology)	Preventative	Manager Infrastructure & Assets	14/09/2017	Adequate
Project Budget Tracking	Detective	Manager Corporate Services	14/09/2017	Adequate
New Initiative Reporting	Detective	Manager Corporate Services	14/09/2017	Adequate
Council Adoption of New Initiatives	Preventative	Manager Corporate Services	14/09/2017	Adequate
Community Engagement Strategy and Policy - Implementation of strategy over 4 years - ongoing from Feb 2018	Preventative	Manager Communications & Community	14/09/2017	Excellent
Project Status Reporting	Detective	Manager Infrastructure & Assets	14/09/2017	Adequate
Project Management Training	Preventative	Manager People & Performance	14/09/2017	Inadequate
Change Management Plan	Preventative	Manager People & Performance	14/09/2017	Inadequate
Overall Control Ratings:				Inadequate

Risk Ratings		Rating
Consequence:		Moderate
Likelihood:		Possible

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Result
% Variation in Time, Cost, Scope or Quality of Project Estimates and Actuals			

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

**RP13 - Inadequate Engagement Practices****Jan-18****This Risk Theme is defined as:**

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so.

**Potential causes include:**

- Budget / Funding Issues
- Media Attention
- Inadequate Documentation or Procedures
- Short Lead Times
- Miscommunication / Poor Communication (Internal / External)
- Relationship Breakdowns with Community Groups

Key Controls	Type	Owner	Date	Rating
Some Public Education Programs (Animal Management, Waste)	Preventative	Manager Communications & Community	14/09/2017	Adequate
Council Reports	Preventative	Manager People & Performance	14/09/2017	Adequate
Community Engagement Strategy and Policy - Implementation of strategy over 4 years - ongoing from Feb 2018	Preventative	Manager Communications & Community	14/09/2017	Excellent
Media Policy	Preventative	Manager Communications & Community	14/09/2017	Adequate
Communications Plans within Project Plans/Events	Preventative	Manager Communications & Community	23/02/2021	Adequate
Strategic Partner Lists	Preventative	Manager Communications & Community	14/09/2017	Adequate
Sponsorship Policy	Preventative	Manager Communications & Community	14/09/2017	Adequate
Councillor Bulletin	Preventative	Manager Communications & Community	14/09/2017	Adequate
Annual Rates Newsletters	Preventative	Manager Communications & Community	14/09/2017	Adequate
Require Public Consultation prior to Granting Works Permit (Doc	Preventative	Manager Infrastructure & Assets	17/01/2019	Adequate
Pop Up Info and Consultation Stalls	Detective	Manager Communications & Community	14/09/2017	Adequate
Animal Management Plan (Doc id 456988)	Preventative	Manager Regulatory Services	27/02/2020	Excellent
Provision of economic and social data via Council website (Doc id 4472)	Preventative	Manager People & Performance	3/03/2020	Excellent
Community Grants Scheme (Doc id 448168)	Preventative	Manager Communications & Community	2/03/2020	Adequate
Social Media/Website Updates	Preventative	Manager Communications & Community	14/09/2017	Adequate
<b>Overall Control Ratings:</b>				<b>Adequate</b>

Risk Ratings		Rating
<b>Consequence:</b>		Moderate
<b>Likelihood:</b>		Unlikely
<b>Overall Risk Ratings:</b>		<b>Moderate</b>

Key Indicators	Tolerance	Date	Overall Result
Overall community satisfaction from Annual Community Survey	>70%		
Media Response Timeframe	<24hrs		
Professional Development Program for Councillors	>2		
Freds Pass Show??	Booth visitors		
Community Education Programs	2		
Dog Awareness Education Program delivered to Primary Schools	>2 per year		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

**RP14 - Inadequate Procurement / Supplier / Contract Management****Jan-18****This Risk Theme is defined as:**

Inadequate management of External Suppliers, Contractors, ICT Vendors or Consultants engaged for core operations and the associated procurement. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.

**Potential causes include:**

- Funding
- Complexity and Quantity of Work
- Inadequate Tendering Process
- Historical Contracts
- Inadequate Contract Management Practices
- Ineffective Monitoring of Deliverables
- Lack of Planning and Clarity of Requirements

Key Controls	Type	Owner	Date	Rating
Contract Management System	Preventative	Manager Infrastructure & Assets	23/02/2021	Adequate
Local Government Guidelines (Doc id 447310)	Preventative	Manager People & Performance	16/11/2021	Adequate
Suppliers and Contractors WHS Requirements	Preventative	Manager Infrastructure & Assets	14/09/2017	Inadequate
Tender Procedure (Doc id 447431)	Preventative	Manager Infrastructure & Assets	1/09/2020	Adequate
Procurement Manual (Doc id 447431)	Preventative	Manager Infrastructure & Assets	1/09/2020	Adequate
FIN03 Procurement Policy (Doc id 447431)	Preventative	Manager Infrastructure & Assets	1/09/2020	Adequate
Overall Control Ratings:				Inadequate

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Possible

Overall Risk Ratings:	High
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Key Indicators	Tolerance	Date	Overall Result
Number of contracts expired prior to renewal			

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

## RP15 - Inadequate Asset Sustainability Practices Jan-18

**This Risk Theme is defined as:**

Failure or reduction in service levels of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal.

*Areas included in the scope are;*

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

**Potential causes include:**

- Skill Level and Behaviour of Operators
- Lack of Trained Staff
- Outdated Equipment
- Unavailability of Information and/or Parts
- Lack of Formal or Appropriate Scheduling (Maintenance / Inspections)
- Unexpected Breakdowns

Key Controls	Type	Owner	Date	Rating
Asset Management Plans (Doc id 458323)	Preventative	Manager Infrastructure & Assets	7/12/2021	Inadequate
Procurement Asset Contract Management Committee (PACMan) (Doc id 458322)	Preventative	Manager Infrastructure & Assets	7/12/2021	Adequate
Asset Management System - Asset Register	Preventative	Manager Corporate Services	7/12/2021	Adequate
Asset Handover Procedures (Doc id 420053)	Preventative	Manager Infrastructure & Assets	7/12/2021	Adequate
Conditional Analysis (Doc id 458339)	Detective	Manager Infrastructure & Assets	7/12/2021	Adequate
Asset Valuations (Doc id 458338)	Preventative	Manager Corporate Services	7/12/2021	Inadequate
Inspection and Maintenance Program - Roads	Detective	Manager Infrastructure & Assets	7/12/2021	Adequate
Wet season road network management	Preventative	Manager Infrastructure & Assets	7/12/2021	Inadequate
Capital Works Program	Preventative	Manager Infrastructure & Assets	7/12/2021	Adequate
Street Lighting Program	Preventative	Manager Infrastructure & Assets	7/12/2021	Adequate
Road Network, Road Reserve and Fire Breaks on Council land slashing (447507)	Preventative	Manager Operations & Environment	7/12/2021	Excellent
Inspection and Maintenance Program - Other Assets (Doc id 458319)	Detective	Manager Infrastructure & Assets	7/12/2021	Inadequate
Overall Control Ratings:				Inadequate

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Result
Asset sustainability ratio	90%		
Works (operating) program - as adopted, completed in agreed timeframes	>90%		
Works (capital) program - as adopted, completed in agreed timeframes	>90%		
Drainage / roads meet a condition rating of satisfactory or above	>75%		
Emergency works response mobilised	<48hrs		
Plant serviced within 3 days of service due date	100%		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Asset Management Plan inc Asset costings to establish renewal program	Jul-18	Manager Infrastructure & Assets
Develop Inspection/Maintenance program	Oct-18	General Manager Infrastructure & Operations

**RP16 - Ineffective HR Management / Employment Practices****Jan-18****This Risk Theme is defined as:**

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding H&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

**Potential causes include:**

- Leadership Failures
- Available Staff / Volunteers
- Single Person Dependencies
- Poor Internal Communications / Relationships
- Ineffective Performance Management Programs or Procedures.
- Ineffective Training Programs or Procedures.
- Limited Employment Market Availability
- Inadequate Induction Practices.

Key Controls	Type	Owner	Date	Rating
HR Policy and Procedures	Preventative	Manager People & Performance	14/09/2017	Inadequate
Performance Development Plans and Training Register	Detective	Manager People & Performance	14/09/2017	Adequate
Workforce Plan	Preventative	Manager People & Performance	14/09/2017	Inadequate
Staff Inductions (Code of Conduct Component)	Preventative	Manager People & Performance	14/09/2017	Adequate
Staff Surveys	Detective	Manager People & Performance	14/09/2017	Adequate
Recruitment Process	Preventative	Manager People & Performance	14/09/2017	Excellent
Corporate Training Plan	Preventative	Manager People & Performance	14/09/2017	Adequate
Training Budget	Preventative	Manager People & Performance	14/09/2017	Adequate
Implement people and culture program	Preventative	Manager People & Performance	12/02/2018	Adequate
Litchfield Council Enterprise agreement	Preventative	Manager People & Performance	7/02/2022	Adequate
Regular Staff Meetings	Preventative	Manager People & Performance	14/09/2017	Adequate

**Overall Control Ratings:****Adequate****Risk Ratings****Rating****Consequence:**

Major

**Likelihood:**

Unlikely

**Overall Risk Ratings:****Moderate**

Key Indicators	Tolerance	Date	Overall Result
Staff turnover rate	<20%		
Organisational development initiatives	3		
Professional development training for each staff member	<1		

**Comments**

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to service interruption, people and financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Corporate Training Program	Oct-18	Manager People & Performance

## RISK CONTROL STATUS

### Key Control

*Budget to support Public Facilities*

### Responsible Person/Position

*Community Development Officer*

*General Manager Community and Lifestyle*

Risk Profile/s	Control Rating
RP10 - Ineffective Management of Public Facilities / Venues / Events	Adequate

### Background

Council has eight recreation reserves with four of these being managed by independent associations.

The budget for the recreation reserves managed by independent associations is tied into funding agreements. These agreements outline the expectations around expenditure of Council's budget in order to properly maintain Council's assets.

### Current Issues / Actions / Treatments

#### ***Treatment 1***

Each year Council considers the budget for each recreation reserve and considers service level, existing assets and ability of the reserve to generate an income.

A budget is then set in line with this.

### Recommendations

*Nil – current control is adequate*

# RISK CONTROL STATUS

## Key Control

*Outsource Management at Key Recreational Reserves*

## Responsible Person/Position

*Community Development Officer*

*General Manager Community and Lifestyle*

Risk Profile/s	Control Rating
RP10 - Ineffective Management of Public Facilities / Venues / Events	Adequate

## Background

Council has eight recreation reserves with four of these being managed by independent associations. Traditionally there have been no formalised agreements in place as to the expectations surrounding the management of these Council assets.

## Current Issues / Actions / Treatments

### Treatment 1

*Currently risk is managed through leases and supporting funding agreements with Recreation Reserve Management Boards.*

*These documents outline the required actions for the Boards to undertake each year in order to ensure the Recreation Reserves are managed appropriately and at the expected service level of the community.*

*There are hire agreements with casual users of the recreation reserves that Council directly manages. These agreements outline roles and responsibilities of the hirers.*

## Recommendations

*Nil – current control is adequate*



# RISK CONTROL STATUS

## Key Control

*Policies and Procedures related to Sport and Recreation*

## Responsible Person/Position

*Community Development Officer*

*General Manager Community and Lifestyle*

Risk Profile/s	Control Rating
RP10 - Ineffective Management of Public Facilities / Venues / Events	Adequate

## Background

Council has eight recreation reserves with four of these being managed by independent associations.

In 2021 Council adopted a Sport, Recreation and Open Space Strategy. Part of the objective of this Strategy was to outline policy gaps for Council pertaining to sport and recreation and managing of facilities.

## Current Issues / Actions / Treatments

### ***Treatment 1***

Recommendations as per the Sport, Recreation and Open Space Strategy pertaining to policies and procedures have been adopted by Council.

## Recommendations

*Nil – current control is adequate*



## RMAC REPORT

<b>Agenda Item Number:</b>	8.4
<b>Report Title:</b>	Resignation of Independent Chair
<b>Author:</b>	Caroline Davidson, Acting Policy & Governance Program Leader
<b>Recommending Officer:</b>	Rebecca Taylor, Acting Manager People and Performance
<b>Meeting Date:</b>	31/08/2022
<b>Attachments:</b>	Nil

### Executive Summary

The purpose of this report is to provide formal notice to the Risk Management and Audit Committee (RMAC) that the Independent Chair, Mr Garry Lambert has resigned from the position and the Committee's next steps.

### Recommendation

THAT RMAC

1. receive and note report entitled Resignation of Independent Chair; and
2. accept Mr Lambert's resignation and that a letter be prepared to thank Mr Lambert for his services on the Committee.
3. recommend to Council that funds be allocated to the 2023/24 budget to extend its independent membership on the Risk Management and Audit Committee to include an Independent Member.

### Background

The Risk Management and Audit Committee plays a central role in independently reviewing Council's financial and corporate governance practices and compliance with legislative and regulatory requirements.

In accordance with the *Local Government Act 2019* the Chair of a Risk Management and Audit Committee must be an independent member of the Council and appointed by the Council. The purpose of independent members is to ensure Council holds the relevant skills, knowledge and understanding of its finance and governance arrangements.

The Chief Executive Officer received a letter of resignation from the Independent Chair of the RMAC on 10 August 2022. Mr Lambert informs the Council that he no longer resides within the Northern Territory and will finish his term as Independent Chair on the conclusion of RMAC meeting scheduled for 26 October 2022.

Considering Mr Lambert's term will cease in October and the upcoming Christmas period, Council will progress calling for expressions of interest in September to seek a suitable individual to fill the vacancy in accordance with Council Policy [FIN09 Risk Management and Audit Committee](#) that holds:

- Level of understanding of local government and the environment in which they operate;
- Level of knowledge and practical exposure on governance and financial management practices;
- Capacity to dedicate adequate time on the committee;
- Depth of knowledge of regulatory and legislative requirements; and
- Ability to maintain professional relationships with staff, council members and other stakeholders.

A confidential report will be presented to the October Council Meeting providing any interest received. Should Council determine to proceed with interviews, Council will nominate two Elected Members to represent on the interview panel with the Chief Executive Officer or his delegate.

It is recommended that the appointment of an Independent Chair be made for an initial period of two years with the option for extension subject to a satisfactory performance assessment of their contributions to the Committee.

Council could consider the benefits of appointing an additional Independent Member to represent on the Committee. Most councils across Australia appoint multiple Independent Members to increase its knowledge and skill set, and to mitigate the risk of being left unrepresented should a member resign.

Should Council wish to appoint an additional member, it is recommended that funds be allocated to the 2023/24 budget. Independent membership is paid in accordance with Class C1 of the [Northern Territory Statutory bodies classified for remuneration purposes](#) (amended from time to time). In line with the current rates, based on four meetings per year, Council would be required to allocate a budget of \$2,876 excluding GST.

#### **Links with Strategic Plan**

A Well-Run Council - Good Governance

#### **Legislative and Policy Implications**

This item is consistent with Council Policy [FIN09 Risk Management and Audit Committee](#).

Should Council determine to extend its membership to include an Independent Member, no changes will be required to Council Policy FIN09.

#### **Risks**

There is a risk to the Council not being appropriately represented on the RMAC. By progressing Expressions of Interest, Council has time to re-advertise for the position should suitable representation not be received.

As recommended within this report Council may consider the appointment of an additional Independent Member to represent on the Committee. This would ultimately improve financial reporting, accountability and transparency and would provide continuity should a member resign from the position.

#### **Financial Implications**

The Independent Chair is paid in accordance with Class C1 of the [Northern Territory Government Remuneration of Board Members](#) as amended from time to time.

#### **Community Engagement**

Community engagement is not required as Audit Committees and Independent representation is requirement under legislation.

Appropriate public advertisement will be undertaken to fill the vacancy.

9. Other Business

10. Confidential Items

Pursuant to Section 93 of the Local Government Act and Regulation 51 of Local Government (General) Regulations the meeting be closed to the public to consider the following Confidential Item:

**10.1 Interim Audit Report – year ended 30 June 2022**

*Regulation 51(1) For section 293(1) of the Act, the following information is prescribed as confidential:*

*(e) subject to subregulation (3) – information provided to the council on condition that it be kept confidential and would, if publicly disclosed, be likely to be contrary to the public interest.*

11 Close of Meeting