



# **Attachment 2 to Item 4.4.4.**

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## **Draft Risk Management Plan**

Date of meeting: 14 May 2024

Location: Council Chambers

Time: 6:30pm





# Risk Management Plan

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**RISK PLAN**

<b>Division:</b>	Corporate Services	<b>Document Number:</b>	Enter No
<b>Branch:</b>	Governance and Risk	<b>Adopted Date:</b>	Enter Date
<b>Responsible Officer:</b>	Patricia Krzeminski	<b>Next Review Date:</b>	Enter Date
<b>Director:</b>	Laurie Mifsud	<b>Version:</b>	Enter No

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### TITLE

Risk Management Plan.

### Introduction

Hawkesbury City Council (Council) provides critical services and infrastructure to the residents, ratepayers, and visitors to the Hawkesbury. Council also has service agreements and contractual obligations with government and non-government agencies and organisations to deliver services on behalf of the Hawkesbury community. The services provided by Council are diverse and extensive and each service area carries its own risks. Hawkesbury City Council is committed to effectively identifying, assessing and managing those risks at each service level through to executive management of strategic and critical risks across the organisation.

It is incumbent on Council to understand the internal and external risks that may impact the delivery of these services, contracts and strategic objectives and have processes in place to identify, mitigate, manage, and monitor those risks to ensure the best outcome for Council, staff, and the community. It is also Hawkesbury City Council's responsibility to ensure the efficient, effective, and ethical use of resources and services by ratepayers, residents, staff, and visitors.

The Hawkesbury City Council Risk Management Framework manages risks based on the guiding principles for Risk Management contained in *Australian Standard ISO 31000:2018 Risk Management - Guidelines* (Standard) and complies with the Office of Local Government Risk Management and Internal Audit for Local Government in NSW Guidelines – November 2023. The Risk Management Framework consists of:

- Risk Management Policy
- Risk Management Plan including Council's Risk Appetite Statement
- Risk Register including Register of Strategic Risks.

The management of risk in Council is guided by the following eight principles contained within the Standard:

1. **Integrated** – risk management is integrated into all Council activities and decision-making processes.
2. **Structured and comprehensive** – risk management is a structured and comprehensive process that achieves consistent and comparable results.
3. **Customised** – the Risk Management Framework and process are customised to the Council.
4. **Inclusive** – risk management is inclusive of all stakeholders and enables their knowledge, views and perceptions to be considered.
5. **Dynamic** – risk management is dynamic and able to respond to changes and events in an appropriate and timely manner.
6. **Best available information** – risk management decisions are based on the best available information and take into account any limitations and uncertainties.
7. **Human and cultural factors** – risk management takes into account human and cultural factors.
8. **Continual improvement** – risk management is continuously and periodically evaluated and improved through learning and experience.

To achieve these principles Council's Risk Management Plan includes the following six key elements contained in the Standard:

1. Leadership and commitment
2. Integration

3. Design
4. Implementation
5. Evaluation
6. Improvement.

### **1. Leadership and Commitment**

#### **1.1 Introduction**

The Standard requires risk management to be supported by a positive culture that promotes and communicates risk management as part of everyday activities and decision making. The Standard states that this culture can only exist when management (i.e. the Governing Body, General Manager and senior staff) demonstrate strong leadership and commitment to risk management.

#### **1.2 Commitment**

Council's commitment to risk is demonstrated through:

- The implementation of a Risk Management Framework.
- Strong risk governance with the Audit, Risk and Improvement Committee reviewing, monitoring and providing independent advice and support to the General Manager on risk management.

#### **1.3 Risk in Decision Making**

All decision makers and Governance bodies must consider risk and risk mitigation in decision making. Wherever practical risk mitigation actions should be identified, particularly for risks with a risk level outside of the risk appetite.

All briefing papers related to decision making must include an assessment and consideration of risk.

### **2. Integration**

#### **2.1 Introduction**

The Standard requires that risk management is fully integrated within Council and made part of the Council's purpose, governance, leadership, strategy, objectives and operations. Risk is managed in every part of the Council's organisational structure and every Council employee is to be responsible for managing risk.

#### **2.2 Integrating Risk Management**

Risk management measures are embedded in normal business processes, activities, and systems and is made part of Council strategy objectives and operations. This is done by:

- Identification of risk in the development of plans and strategies and the identification of strategies to treat these risks.
- Having dedicated process and procedures to identify and manage Work Health and Safety (WHS) risks and Project risks.
- Consideration of risk in all decision making.

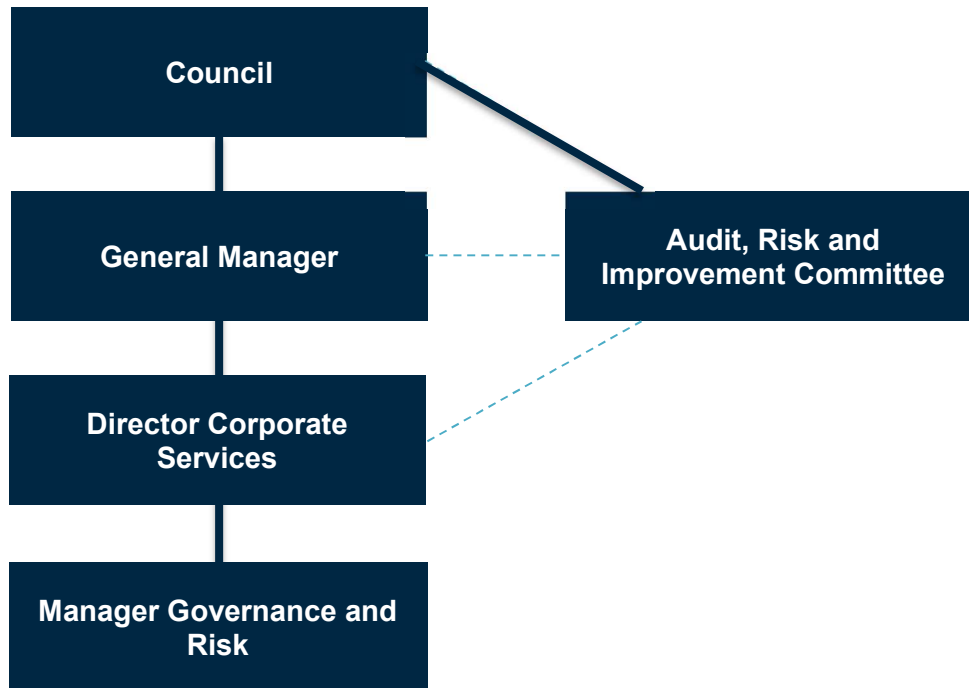
#### **2.3 Integrated Planning and Reporting Framework**

The Integrated Planning and Reporting Framework (IP&R) is legislated under the Local Government Act to provide a framework for local Councils to implement long, medium and short-term planning and reporting. The strategic management of risk underpins Council's service delivery and future planning. The IP&R Framework is critical in guiding the effective delivery of service, and the development of future strategies for the Hawkesbury. A consideration of risk in the context of the Risk Appetite is made in the development of Council plans including the Community Strategic Plan, Delivery Program, Resourcing Strategy, and the annual Operational Plan. This includes the consideration of risk in the project and action planning process, and documentation in Manager's work plans.



## 2.4 Risk Governance

The chart below details the structure of the governance of risk management. The responsibilities related to risk governance are detailed in Section 3.4 of this Plan.



## 2.5 Managing WHS and Project Risks

Operational Work Health and Safety risks are managed as outlined in the Work Health and Safety and Injury Management System and project risks are managed in accordance with the Project Management Policy and the Project Management Procedure.

## 3. Design

### 3.1 Introduction

The Standard requires that the design of Council's Risk Management Framework:

- Is based on the unique needs, characteristics and risks of the Council, and its external and internal context.
- Demonstrates the Council's continual commitment to risk management.
- Assigns risk management roles, responsibilities and accountabilities within the Council.
- Allocates appropriate Council resources for risk management.
- Effectively documents and communicates risk management across the Council.

### 3.2 Development of the Risk Management Framework

The Risk Management Framework has been developed to reflect the unique needs, characteristics and risks of the Council, and its external and internal context. The development of the Risk Register commenced in 2019 with workshops in 2019 and 2020 with every Branch Manager to identify key risks. Risks were identified through the best available information including the Community Strategic Plan and Business Plans, input from staff for day-to-day operation insights, audit reports, networking with other Councils, business process reviews, staff interviews and consultant advice. Each risk had a risk owner identified for managing the risk and implementing treatments to mitigate the risk. The Risk Register was discussed with a wide range of stakeholders and their views and perceptions were considered. The

finalised risks were included in the Hawkesbury City Council Risk Register housed in the Pulse software platform. The Register was endorsed by the then Audit Committee on 16 September 2020.

### 3.3 Commitment to Risk Management and Allocation of Resources

Council has included risk management responsibilities in the position descriptions of Governance and Risk staff.

Council ensures sufficient resources are allocated to implement Council's Risk Management Framework and deliver the internal controls needed to ensure the Council's risks are appropriately managed. These resources include the necessary:

- Human resources
- Technology, equipment, tools and information management systems for managing risk
- Documented processes and procedures
- Professional development and training for staff to ensure they can fulfil their risk management responsibilities.

### 3.4 Responsibilities

#### 3.4.1 Elected Body

The Elected Body is responsible for:

- Approving Council's Risk Management Policy.
- Reviewing and approving the treatment of key strategic risks, e.g. in economic sustainability, corporate system replacement, and projects.
- Supporting the wider implementation of risk management and ensuring it aligns with Council's objectives.
- Approving Council's Risk Appetite Statement.
- Applying risk management principles to the decision-making process.

#### 3.4.2 General Manager

The General Manager is responsible for overseeing the Council's Risk Management Framework and ensuring it is effectively communicated, implemented, and reviewed regularly.

#### 3.4.3 The Audit, Risk and Improvement Committee

The Audit, Risk and Improvement Committee is responsible for reviewing, monitoring and providing independent advice and support to the General Manager and Council on:

- Adequacy and effectiveness of the Council's Risk Management Framework
- Council's governance arrangements
- Fraud and corruption prevention activities
- Council's governance arrangements
- Financial management
- Implementation of the Strategic Plan, Delivery Program and strategies
- Collection of performance measurement data by the Council
- Service reviews.

#### 3.4.4 Manager Governance and Risk

The Manager Governance and Risk has carriage of the Risk Management Framework and is responsible for:

- Developing, implementing and maintaining the Risk Management Framework.

- Assisting risk owners to review and update their risks and identifying actions to treat risks.
- Providing regular reports to the General Manager
- Providing reports to the Executive Leadership Team, the Senior Leadership Team and the Audit, Risk and Improvement Committee on Enterprise Risk Management.
- Conducting an annual review of Council's Risk Management Framework to ensure it continues to meet the requirements of the Local Government Act 1993, the Local Government Regulations and the Council's requirements.

### 3.4.5 Directors and Managers

Managers implement risk management in their portfolio and are responsible for:

- Monitoring that all staff manage their risks within their own work areas. Risks should be anticipated, and reasonable protective measures taken.
- Encouraging openness and honesty in the reporting and escalation of risks.
- Monitoring that staff have the appropriate capabilities and resources to perform their Risk Management roles.
- Identifying and communicating improvements in Council's risk management practices to the Manager Governance and Risk.
- Considering and referencing risk in their Business Plans.

### 3.4.6 All Staff

Risk Management is introduced to staff during the induction process and all staff are required to undertake regular training on Risk Management. Everyone who works for Council is a stakeholder in risk and they are responsible for:

- Being familiar with, and understanding, the principles of Risk Management.
- Complying with all policies, procedures and practices relating to Risk Management.
- Alerting management to risks that exist within their scope of operation.
- Performing any Risk Management activities assigned to them as part of their daily role.
- Managing risk within their scope of operation.

### 3.4.5 Risk Management

Detailed responsibilities for Risk Management are contained in the Risk Management Policy.

## 3.5 Documentation

The Risk Management Framework documents are readily available to all staff via the staff intranet. The Risk Management Policy is publicly available via the Hawksbury City Council website. Council's Risk Management Policy is informed by the ISO 31000:2018 Standard for Risk Management and complies with the Office of Local Government Risk Management and Internal Audit for Local Government in NSW Guidelines - November 2023. Council is also obliged to meet the requirements of the following:

- Local Government Act Section 428A
- Local Government (General) Amendment (Audit Risk and Improvement Committees) Regulation 2023
- Privacy and Personal Information Protection Act 1998
- Corporations Act 2001 (dealing financial services)
- Work Health and Safety Act 2011
- Anti-Discrimination Act 1977
- Equal Employment Opportunity Act 1987
- Environmental Planning and Assessment Act 1979

To support this Council has the following policies:

- Risk Management Policy
- Fraud and Corruption Prevention Policy
- Code of Conduct
- Internal Reporting Policy
- Project Management Policy
- Work Health and Safety Policy.

### 3.6 Communication

Communication and consultation aim to bring different areas of expertise and stakeholders together for each step of the Risk Management process and ensure that different views are appropriately considered when defining risk criteria and when evaluating risks. Risk management is communicated in a variety of ways including:

- Inclusion in Orientation
- Toolbox talks
- Reference to risk in briefing papers.

### 3.7 Risk Management Objectives

The objectives for managing risks are:

- Ensuring all risks are considered and mitigated where possible in the delivery of services to the community.
- Supporting informed risk-taking that promotes Council's objectives and success while recognising the risks associated with key decisions.
- Creating a robust control environment that reduces negative impacts on the Council's performance.
- Reducing the cost to Council by moving from a reactive to proactive risk management approach.
- Providing the basis for identifying areas of priority for Internal Audit.
- Adding value to strategic plans and projects in dealing with uncertainties that might otherwise impede priorities being achieved and including action plans to manage high-ranked risks.
- Providing assurance to the Council that effective Risk Management is applied in the decision-making process of Council and implementation of its resolutions.

### 3.8 Risk Management Outcomes

Outcomes and benefits from the Risk Management Framework are:

- Measurable
- Proactive rather than reactive
- Integrated into work practices across the whole of Council
- Applied by all staff in functions and activities of Council
- Utilised to improve compliance with legal and regulatory obligations.

### 3.9 The Three Lines of Defence Model

There are three lines of defence against a risk event occurring.

First line: Management (process owners) has the primary responsibility to own and manage risks associated with day-to-day operational activities. Other accountabilities assumed by the first line include design, operation, and implementation of controls.

Second line: The identification of emerging risks in daily operation of the business. It does this by providing compliance and oversight in the form of frameworks, policies, tools, and techniques to support risk and compliance. Examples include:

- Risk Management Policy and Plan
- Policies
- Processes
- Frameworks
- Registers
- Plant
- Staff qualifications
- Insurance monitoring
- Fraud and corruption training
- Systems training
- Review cycles
- Governance arrangements
- Reporting arrangements.

Third line: Objective and independent assurance provided by the strategic internal audit program and oversight by the Audit, Risk and Improvement Committee. While the third line's key responsibility is to assess whether the first- and second-line functions are operating effectively, it is charged with the duty of reporting to the Audit, Risk and Improvement Committee, in addition to providing assurance to regulators and external auditors that the control culture across the organisation is effective in its design and operation.

#### **4. Implementation**

##### **4.1 Introduction**

The Standard requires that Council implement its Risk Management Framework by:

- Developing a Risk Management Plan that provides structure for how the Council will implement its Risk Management Policy and conducts its risk management activities.
- Ensuring the Council's risk management activities are clearly understood and practiced.

The Risk Management Plan identifies decision makers for risk within the Council and ensures risk management processes and arrangements are well understood by the Council and practiced.

##### **4.2 Risk Categories**

Risks are assigned a risk category as outlined below. Many risks fall across multiple categories and when assessing the risk, the category that has the greatest risk is assigned.

<b>Risk Category</b>	<b>General Description</b>
Strategic	<p>Risks that if they are not managed may make it difficult, or even impossible, for Council to achieve its objectives and strategic goals. These risks can have a severe consequence that can have long term impacts. These strategic risks have granular risks associated with them included in the Risk Register. The Strategic Risks are informed by:</p> <ul style="list-style-type: none"> <li>• Externally facilitated workshop with Senior Staff</li> <li>• Review of the Risk Register</li> <li>• Community Strategic Plan and supporting plans as per the Integrated Planning and Reporting Framework</li> <li>• Environmental scans of the operating environments</li> <li>• Customer and staff feedback via surveys, complaints etc.</li> </ul>
Compliance	<p>The risk of breaking the law.                      The risk of non-compliance with legalisation, regulations, government policies and directions and Council policies.                      Risk of fraud or misappropriation.</p>

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Risk Category	General Description
Environment	The risk of inability or failure to protect the environment leading to a loss of biodiversity and/or environmental degradation due to natural or human disasters, public hazards or other unexpected events.
Finance	The risk of not achieving income or expenditure targets, inappropriate returns on investment, cash flow, financial sustainability (including financial reporting and processes, accounting controls).
Operations	The risks associated with delivery of services to internal and external customers. The risk of not achieving key project or event objectives and deadlines. The risk of maladministration.
People and Wellness	The risk of inappropriate People and Development policies, recruitment, training, retention, staff engagement and culture. The risk of injury or death to staff or the public.
Reputation	The risk of damage to Council's reputation and brand.

### 4.3 Identifying Controls

Existing controls for the risk are identified such as:

- Policies
- Processes
- Frameworks
- Registers
- Plant
- Staff qualifications
- Governance arrangements
- Auditing
- Reporting arrangements.

### 4.4 Risk Analysis

The purpose of risk analysis is to comprehend the nature of risk and its characteristics to identify the level of risk. Risk analysis involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness. Risk analysis should consider factors such as:

- The likelihood and consequences of events occurring
- Complexity and connectivity
- Human and cultural factors
- Time-related factors and volatility
- The effectiveness of existing controls
- Sensitivity and confidence level.

A variety of techniques can be utilised to assess risk. The initial development of the register relied on qualitative assessment of risk however as Council's risk management approach matures it is planned to move, where possible, to a more quantitative approach to assessment of risks using available data and predictive data. Examples of data include results of benchmarking activities, climate records, staff survey results, complaints data and development application processing times. An example of predictive data is future predictions of climatic event such as floods based on climate change modelling.

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The perception of risk is a subjective judgement and varies from person to person based on the information available and the ability to process it. When assessing risk, particularly when qualitative assessment is made, steps should be taken to reduce the possibility and impact of natural bias that may occur in risk assessment such as an individual's potential risk appetite and where they sit on the pessimist - optimist continuum. It is also possible to have cognitive bias in decision making based on favouring information that support our own preferred options or biasing information on historical responses to issues and Risk. Ways to reduce subjective and cognitive bias include:

- Including multiple stakeholders in identifying risk and ensuring all views are canvassed.
- Encouraging and considering divergent views.
- Considering but not being constrained by historical approaches.
- Brainstorming activities.
- Gathering data and information to aid evidence based decision making.

Risk analysis is conducted using the following tables.

Likelihood			
Level	Descriptor	Definition	Indicative frequency
A	Almost certain	Is expected to occur in most circumstances	80-99%
B	Likely	Will probably occur in most circumstances	60-79%
C	Possible	Might occur at some time	40-59%
D	Unlikely	Could occur at some time	20-39%
E	Rare	May occur only in exceptional circumstances	1-19%



Consequence								
Level	Descriptor	Strategic	Compliance	Finance	Environment	People and Wellness	Operations	Reputational
1	Insignificant	Impact on achieving strategic objectives can be negated by treatment	Minor unreportable noncompliance with Council policy	Financial loss up to \$10K	Brief pollution No impact or measurable impairment	Incident requiring first aid only/has limited People and Development impact on 5 or less staff	No effect on operations	Little or no public/local interest
2	Minor	Limited impact on achieving strategic objectives	Minor unreportable noncompliance with external regulation	Financial loss between \$10K to \$100K	Transient harm Minor impact	Incident requiring medical treatment / has limited impact on 6 or more staff	No measurable effect on operations	Minor public/local interest Reputation adversely affects small number of people
3	Moderate	Measurable impact on achieving Strategic objectives	Reportable noncompliance with external regulation/legislation	Financial loss between \$100K to \$1M	Moderate harm Measurable impact but not affecting ecosystem function	Incident requiring hospital treatment/impacts the operation of a work group	Some effect on operations	Significant public/local interest Reputation impacted with some stakeholders
4	Major	Strategic objectives cannot be met without significant treatment and resources	Noncompliance with regulation/legislation that could lead to a conviction	Financial loss between \$1M to \$10M	Significant harm Serious impact with some impairment of ecosystem function	Incident causing disability or longer-term hospitalization/ impacts operation across multiple teams	Major effect on operations	Major public/media attention Reputation impacted with a significant number of stakeholders
5	Extreme	Strategic objectives cannot be met	Noncompliance with regulation/legislation that will lead to inability of Council to perform function	Financial loss more than \$10M	Long term harm Very serious impact with significant impairment of ecosystem function	Incident causing death/ has a significant impact on operations across multiple teams	Major effect in operations and on-going viability	Serious or sustained public/media attention Reputation impact with majority of key stakeholders





Accessing Risk Level		Consequence				
		Insignificant	Minor	Moderate	Major	Extreme
Likelihood	Almost Certain	Moderate	High	High	Extreme	Extreme
	Likely	Moderate	Moderate	High	High	Extreme
	Possible	Low	Moderate	Moderate	High	High
	Unlikely	Low	Moderate	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate

### 4.5 Risk Mitigation Treatments

All strategic risks and risks that sit outside the risk appetite must have separate risk treatment plans to mitigate and reduce the risk. All treatments should be framed using the SMART criteria (Specific, Measurable, Achievable, Relevant and Time Framed). Short timeframes should apply to higher risks. Risk mitigation treatments, particularly low resource and easily implemented, should also be considered for risks within the risk appetite. Justification for risk treatment is broader than solely economic considerations and should consider all of Council's obligations, stakeholder views and human and cultural factors. The selection of risk treatment options should be made in accordance with Council's objectives, risk criteria and available resources. When selecting risk treatment options, consider the values, perceptions and potential involvement of stakeholders and the most appropriate ways to communicate and consult with them. Though equally effective, some risk treatments can be more acceptable to some stakeholders than to others. Risk treatments, even if carefully designed and implemented might not produce the expected outcomes and could produce unintended consequences.

Monitoring and review are an integral part of the risk treatment implementation to give assurance that the different forms of treatment become and remain effective. Risk treatment can also introduce new risks that need to be managed.

If there are no treatment options available or if treatment options do not sufficiently modify the risk, the risk should be kept under ongoing review.

Risk treatment options include:

- Reducing consequence/impact (add additional controls or improve existing ones)
- Reducing likelihood (add new preventive controls or improve existing ones)
- Avoiding the risk by stopping activities
- Avoiding the risk by outsourcing activities
- Sharing the risk (e.g., through contracts, buying insurance).

Measure should be taken to avoid subjective and cognitive bias in identifying risk treatment. This can be done by:

- Including multiple stakeholders in identifying risk treatments and ensuring all views are canvassed.
- Encouraging and considering divergent views.
- Considering but not being constrained by historical approaches.
- Having a range of treatments to reduce both the likelihood and the impact of a risk occurring.

### 4.6 Post Treatment Risk

The next step is reassessing the level of risk expected once the risk mitigation treatments have been implemented. If after this process the post treatment risk still sits outside of the risk appetite additional treatments should be considered.

## **5. Evaluation**

### **5.1 Introduction**

The Standard requires that Council regularly evaluates the effectiveness of its Risk Management Framework and determines whether it remains suitable.

### 5.2. Risk Review Cycle

The Risk Register is dynamic and needs to be reviewed as the operating context changes and the level of risk of existing risks changes and the new risks are identified.

#### 5.2.1 Continuous Review

Existing risks should be reviewed to reflect changes to the operating context. This review should re-examine the likelihood and consequence of an event occurring. The changing context may also identify new risks that will need to be assessed as per this framework. The changes in the operating context could be due to factors such as:

- An event identified within the register occurs
- Changes in legislation, regulations etc
- Changes in Government priorities and directions
- Results of external and internal audits or reviews
- Reports and information from ICAC, NSW Ombudsman reports, Auditor General and the Local Government
- Implementation of Organisational change
- Directions from the Government
- Directions from the Office of Local Government.

#### 5.2.2 Quarterly Reviews

The Pulse System will also send an automated email for risk owners to review their risks quarterly. The Manager Governance and Risk will assist risk owners with these reviews as required. During these reviews risk owners review the following for each risk:

- Assess the existing controls
- Assess the likelihood and consequence
- Update the progress of risk treatments
- Assess the extent to which the control is being consistently implemented
- Consider additional treatments.

If a control is effective, it should be able to stand up to an audit testing of its effectiveness. The control testing outcome should identify any gaps that exist in the control's effectiveness.

Risk owners are to consider changes in the operating context and consider if risks need to be added or an existing risk needs to be reviewed and possibly archived. Any proposed changes, or additions to the Risk Register is then discussed with the Manager Governance and Risk. The Senior Leadership Team will consider and approve the adding or removing of risks from the Risk Register.

The General Manager will be provided a report on the outcome of the quarterly review.

#### 5.2.3 Annual Review

Annually the Manager Governance and Risk meets with every risk owner to discuss and update their risks as per the Quarterly Review and to have an in-depth discussion about changes in their operating context.

In July each year the Manager Governance and Risk will draft the Internal Audit and Risk Management Attestation Statement (see Attachment 1) for consideration by the General Manager.

### 5.3 Risk Performance Indicators

The following performance indicators will be used to measure the effectiveness of the Risk Management Framework:

- The number of strategic risks.
- The number of risks in all categories.
- Risk that after risk treatment remain outside of the risk appetite.
- Risk with overdue treatment actions.
- The number of staff who have received risk management training.
- Identified risks that have occurred.
- Outcomes of audits related to risk.

### 5.4 Risk Management Function – Oversight and Facilitation

Council has established a risk management function responsible for the day to day activities required to implement Council's Risk Management Framework and provide specialist risk management skills and knowledge. Council's risk management function falls with the Manager Governance and Risk, reporting to the Director Corporate Services as a senior staff member with direct line of responsibility to the General Manager and the Audit, Risk and Improvement Committee.

Council has structured its risk management function with adequate roles and responsibilities to:

- Support the General Manager by coordinating and providing clear and concise risk information, advice and/or reports that can be used in planning and decision making.
- Coordinate the various activities relating to risk management within Council.
- Help build a risk management culture within the Council, including facilitating and driving risk management at the strategic and operational level within Council and ensuring consistency in practice.
- Ensure systems are easily accessible and processes are in place to enable staff to conveniently undertake risk management in their day to day work.
- Ensure risk management processes are applied consistently across Council.
- Organise appropriate staff risk management training and development.
- Develop and maintaining a risk reporting framework to enable regular advise / reports of key risks and the management of those risks, to the General Manager.
- Support Council staff with their risk management obligations and providing staff with advice and tools to ensure risk management compliance.
- Implement effective risk management communication mechanisms and information systems.
- Establish and maintain ongoing monitoring systems to track the risk management activities undertaken within Council and assess the need for further action.
- Assess risk management information for completeness, accuracy and consistency.
- Prepare advice or reports for the Audit, Risk and Improvement Committee and attending meetings.

### 5.5 Risk Reporting

Reporting assists meeting various objectives and outcomes, including:

- Demonstrating the development of risk management.
- Engaging the elected body and the Audit and Risk and Improvement Committee to enable them to drive risk management both strategically and more broadly.
- Providing a snap-shot record of the status of risk exposures and any control actions being implemented.
- Providing information to risk control owners.
- Submitting information to regulators and other external parties.

### 5.5.1 Reporting to the General Manager

The Manager Governance and Risk is to report the following to the General Manager:

- Outcome of the quarterly review.
- Outcome of the annual self-assessment.
- New risks identified that sit outside the risk appetite.
- Key strategic risks with overdue treatment actions.
- The draft Internal Audit and Risk Management Attestation Statement.
- Draft input into the strategic assessment conducted each Council term.
- Draft action plan for the governing body to address any risk management issues identified by the Audit, Risk and Improvement Committee.

### 5.5.2 Reporting to the Senior Leadership Team

The Manager Governance and Risk is to report the following to the Senior Leadership Team:

- Proposed additions and deletions to the Risk Register to be approved.
- Significant changes to operating environment that impact on risk management.
- Key strategic risks with overdue treatment actions.
- Annually the performance against Risk Management Performance Indicators.

### 5.5.3 Reporting to the Audit, Risk, and Improvement Committee

The Manager Governance and Risk is to report the following to the Audit, Risk and Improvement Committee in accordance with its Terms of Reference and Annual Work Plan and the Risk Management and Internal Audit for Local Government in NSW Guidelines - November 2023:

- At each meeting provide an update on Risk Management.
- Additions and deletions to the Risk Register
- Outcome of the annual review including a report on changes in the operational context informing the annual review.
- Input for the strategic report to be provided to the governing body on assessment of the effectiveness of Council's Risk Management Framework, as part of a four-yearly strategic assessment (Section 5.5.4).
- Annually the outcome of the annual self-assessment (Section 6.2) and performance against Risk Management Performance Indicators.
- Reports as requested by the Audit, Risk and Improvement Committee.

### 5.5.4 Reporting by the Audit, Risk and Improvement Committee

The Audit, Risk and Improvement Committee must provide an assessment of the effectiveness of the Council's Risk Management Framework to the Governing Body each Council term, as part of the Committee's four-yearly strategic assessment. As part of this assessment the Committee should consider whether:

- The Council is providing sufficient resources for risk management.
- The Council's Risk Management Framework complies with the Risk Management and Internal Audit for Local Government in NSW Guidelines - November 2023.
- The Council's Risk Management Framework operates effectively, is being complied with and supports the achievement of the Council's strategic goals and objectives.

The General Manager is to develop an action plan for the Governing Body to address any risk management issues identified by the Committee. The Audit, Risk and Improvement Committee and the General Manager will discuss the strategic assessment and action plan with the Governing Body at the Council's strategic assurance meeting held each Council term.

### **6. Improvement**

#### **6.1 Introduction**

The Standard requires that Council continually adapts and improves the design of its Risk Management Framework and how it is integrated throughout the Council to help the Council move to a higher level of risk maturity.

#### **6.2 Improvement of the Framework**

Council is committed to move beyond compliance with Australian Risk Management Standards and toward a proactive continual improvement approach that enables risk management principles to be embedded in every aspect of operations. The Risk Management Framework is subject to change as the Council's maturity in managing risks evolves. Over time it will grow and mature in both its development and application across Council. The initial identification of risks relied on qualitative assessment of risk however as Council's risk management approach matures it is planned to move to a more quantitative approach to assessment of risks using available data and predictive data. Examples of data include climate records, staff survey results, complaints data, and development application processing times and results of benchmarking activities. An example of predictive data is the prediction of climatic event such as floods based on climate change modelling. There will also be an evolution on how risk treatments are identified to reduce bias and to more closely align Risk management and internal auditing. These improvements will be driven by factors such as:

- Input and guidance from the Audit and Risk and Improvement Committee.
- Increased staff aptitude in managing risk as the framework is implemented over time and staff receive training on risk management.
- Evolution of the risk management industry and how risk management is approached.

#### **6.3 Self-assessment**

Annually the Manager Governance and Risk conducts a self-assessment of the Risk Management Framework. A report is to be provided to the General Manager whether the Council's Risk Management Framework:

- Complies with the Risk Management and Internal Audit for Local Government in NSW Guidelines - November 2023
- Is sufficiently resourced
- Operates effectively, this includes whether:
  - The internal control framework appropriately reflects the Council's risk criteria/appetite
  - Risks are formally considered when developing and implementing all Council policies, programs, projects and other activities, including procurement
  - Risk management covers all relevant risk categories including strategic, operational, compliance, reputational and reporting risks
  - Major risks have been identified and assessed by the Council and appropriate risk treatments have been implemented that reflect the Council's risk criteria
  - Council's internal controls are effective and appropriate
  - Council's Risk Register and risk profile are current and appropriate
  - Risk information is captured and communicated in a timely manner across the Council, enabling management and staff to carry out their responsibilities, and
  - Council's risk management policies, procedures and plans are being complied with.

#### **6.4 Training and Education**

Training and education in risk management is necessary for the successful adoption of the risk processes into business functions of Council. This fosters a risk awareness culture that allows staff to understand the impacts of what takes place when a risk event occurs. Training and education will be delivered to:

- Strengthen the activities that staff usually perform; it follows that many of these activities are part of the control environment that manage risks.

## **Risk Management Plan**

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- Explain how the Risk Management Framework operates and the involvement of staff in the framework how new risks are identified and added to the Risk Register.
- Show staff how to identify and escalate risk issues to appropriate level of management.
- Support risk management with updates included in Council internal bulletins to create greater awareness and build knowledge.

All Managers are to be appropriately trained in the principles of risk management and the use of Pulse by risk owners to document and manage the risk within their area of responsibility.

New staff who will be risk owners will receive one on one training on risk management and the use of Pulse from a member of the Governance and Risk Branch.

## Risk Management Plan

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### Attachment 1: Internal Audit and Risk Management Attestation Statement

#### Internal Audit and Risk Management Attestation Statement for the [years] Financial Year for Hawkesbury City Council

I am of the opinion that Hawkesbury City Council has an Audit, Risk and Improvement Committee (ARIC) and risk management and internal audit processes that, excluding the exceptions outlined below, operate in compliance with the requirements set out in the *Local Government Act 1993* and *Local Government (General) Regulation 2021*.

Specifically:

#### Audit, Risk and Improvement Committee

Requirement	Compliance
Hawkesbury City Council's ARIC is independent of the Council and has three or more members that comply with or exceed the minimum requirements for the Council prescribed category as a tier #tbc Council.	[compliant or non/compliant]
The chair and all members of Council's ARIC meet the eligibility and independence criteria required of their position and have been appointed in accordance with prescribed membership term limits.	[compliant or non/compliant]
Hawkesbury City Council's ARIC operates according to terms of reference approved by the governing body of the Council that are consistent with the approved Model Terms of Reference.	[compliant or non/compliant]
Hawkesbury City Council's ARIC operates according to annual and four-yearly strategic plans endorsed by the governing body of the Council.	[compliant or non/compliant]
Hawkesbury City Council's ARIC provides an annual assessment to the governing body each year, and a strategic assessment of all the matters listed in section 428A of the Local Government Act to the [governing body/board] each Council term.	[compliant or non/compliant, include date of last strategic assessment provided]
Hawkesbury City Council provides the ARIC with direct and unrestricted access to the General Manager, senior management, information and Council resources so it can fulfil its responsibilities.	[compliant or non/compliant]
At least once each Council term the governing body of the Council reviews the effectiveness of the audit, risk and improvement committee.	[compliant or non/compliant, include date of last review]

#### Risk Management

Requirement	Compliance
Hawkesbury City Council has adopted a Risk Management Framework that is consistent with current Australian Risk Management Standards and appropriate for the Hawkesbury City Council's risks.	[compliant or non/compliant]
Hawkesbury City Council's ARIC is responsible for reviewing the implementation of Hawkesbury City Council's Risk Management Framework and issues a strategic assessment of the effectiveness of Hawkesbury City Council's Risk Management Framework to the governing body each Council term.	[compliant or non/compliant, include date of last strategic assessment provided]



## Risk Management Plan

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### Internal Audit

Requirement	Compliance
Hawkesbury City Council has an internal audit function that provides an independent unbiased assessment of Hawkesbury City Council's operations and risk and control activities.	[compliant or non/compliant]
Hawkesbury City Council's internal audit function reports to the audit, risk and improvement committee on internal audit matters.	[compliant or non/compliant]
Hawkesbury City Council's internal audit function operates independently of the Hawkesbury City Council's internal audit activities are not subject to direction by Council.	[compliant or non/compliant]
Hawkesbury City Council's internal audit function operates according to an internal audit charter, which is consistent with the approved Model Internal Audit Charter.	[compliant or non/compliant]
Hawkesbury City Council's has appointed an appropriately skilled and eligible staff member to direct Hawkesbury City Council's internal audit activities or is part of a shared.	[compliant or non/compliant]

### Attachment 2: Risk Appetite Statement

#### Purpose

The purpose of this Risk Appetite Statement is to establish broad parameters around the amount and type of risk that Hawkesbury City Council is willing to take to meet its strategic and operational objectives. It provides guidance for management and elected representatives on how to approach the management and treatment of risks that are inherent in undertaking Council activities. The parameters of risk tolerance are not exhaustive and aim to guide management when making important decisions.

#### Context

Council's purpose is to build a Hawkesbury that's loved by its people through a contemporary organisation where staff are empowered to deliver great outcomes for our community. Hawkesbury City Council's values - Healthy, Efficient, Accountable, Respectful and Team focused are at the heart of Council's culture. The heartbeat of purpose, vision and values provides the framework of all that Council does, its decision making and how Council staff interact with customers and each other.

As a local government authority, Hawkesbury City Council obligated to its stakeholders to ensure that it does not accept high levels of risk that might impact community wellbeing and amenity or the financial sustainability of the Council. This is particularly relevant in the current economic and political environment where the Council is managing the ongoing recovery from the challenges of drought, bushfires, floods, and the ongoing pandemic, and there is a high level of uncertainty.

Accordingly, Council generally has a moderate appetite to take risks that deliver benefits to the community but a low appetite for unmitigated risks across all operations and strategic objectives. Council has an appetite for change and is not satisfied with the status quo.

#### Risk Appetite

In managing risk, Risk Owners must ensure risks are mitigated to within risk appetite. If the level of risk is outside risk appetite, the Risk Owner must escalate to their Director and implement a detailed risk treatment plan to reduce the risk rating to within risk appetite. Directors will review and monitor the implementation of the risk treatment plan.

If under the proposed risk treatment plan the risk cannot be mitigated to within risk appetite, the risk must be escalated to the General Manager. If the General Manager is not prepared to accept the level of risk, it must either be avoided by not performing the activity or the risk must be escalated to the elected Council for determination.



Risk Appetite Categories	
<b>Low</b>	<p><b>A willingness to take on a limited level of risk necessary to achieve goals and objectives.</b></p> <p>Council may operate in this area, or in this way, where the value is assessed as worthwhile, after risks have been effectively mitigated.</p>
<b>Moderate</b>	<p><b>A willingness to take on a moderate level of risk for benefits linked to goals and objectives.</b></p> <p>Council may operate in this area, or in this way, after risks have been effectively mitigated to pursue benefits that enhance strategic outcomes or operational objectives.</p>
<b>High</b>	<p><b>A willingness to take on higher levels of risk to maximise gains.</b></p> <p>Council may operate in this area, or in this way, after all options are considered and the most appropriate option selected to maximise strategic or operational gains</p>

Risk Category	Context	Risk Appetite	Risk Tolerance	Not accepted
<b>Finance</b>	<p>Hawkesbury City Council understands the financial risks involved in delivering a wide range of services, programs and capital projects to meet the needs of the local community</p> <p>Council has a strong focus on financial sustainability and balancing the needs of the community both today and over the long-term.</p> <p>Council is committed to maintaining a prudent, cost-conscious and disciplined approach to financial management in the receipt and expenditure of community monies to invest in delivering services to the community.</p>	<b>Low</b>	<p>Council will tolerate:</p> <ul style="list-style-type: none"> <li>▪ <b>Minor</b> approved budget variations due to unforeseen events, changing economic conditions, sudden changes in government policy or to better meet community needs.</li> <li>▪ <b>Minor</b> budget variations approved by a Director.</li> <li>▪ Short-term deterioration of one or more Fit for the Future metrics to improve other metrics.</li> <li>▪ <b>Minor</b> losses from innovation or new activities to meet community needs, enhance efficiency/grow revenue or to make the Hawkesbury a great place to live.</li> </ul>	<p>Council will <b>not</b> tolerate:</p> <ul style="list-style-type: none"> <li>▪ Maladministration and poor financial decisions that leave a long-term liability/deficit or adverse financial implications</li> <li>▪ Financial fraud, theft, misuse or waste of Council funds.</li> <li>▪ Material misstatement.</li> <li>▪ Deliberate breach of policies, financial control procedures, procurement guidelines or delegations.</li> <li>▪ Failure to consider the long-term financial implications of decisions.</li> <li>▪ Deviations from directorate budget &gt;3% not approved by the General Manager.</li> </ul>



Risk Category	Context	Risk Appetite	Risk Tolerance	Not accepted
	<p>Council has a low appetite for variation in financial performance to ensure financial sustainability is not threatened.</p>		<ul style="list-style-type: none"> <li>▪ Projects variance within project contingency.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Deviations from business unit budget not approved by Director.</li> </ul>
<p><b>Environment</b></p>	<p>Hawkesbury City Council recognises that protecting and valuing the natural and historic built environment is important to delivering a great place to live.</p> <p>Council is commitment to reducing our ecological impact to sustainable levels, achieving net zero from Council operations and balancing the needs of our community to retain our lifestyle and identity.</p> <p>Council has a low appetite for environmental damage arising from normal business activities.</p>	<p><b>Low</b></p>	<p>Council will tolerate:</p> <ul style="list-style-type: none"> <li>▪ <b>Moderate</b> criticism for decisions that promote ecologically sustainable development.</li> <li>▪ <b>Minor</b> short-term environmental impacts from extreme events</li> <li>▪ <b>Minor</b> environmental impacts to deliver enduring benefits to our community well into the future.</li> <li>▪ <b>Minor</b> environmental impacts offset by other activity resulting in a net environmental benefit.</li> <li>▪ Short-term deterioration in community amenity to positively impact the Hawkesbury and its environment.</li> </ul>	<p>Council will <b>not</b> tolerate:</p> <ul style="list-style-type: none"> <li>▪ Activities and practices that knowingly compromise the environment, are reasonably foreseeable and preventable.</li> <li>▪ Decisions, activities and practices that result in irrevocable environmental damage or seriously impact biodiversity.</li> <li>▪ Failure to integrate sustainability principles into all aspects of Council operations .</li> <li>▪ Decisions that do not consider the principles of ecologically sustainable development.</li> <li>▪ Any failure to consider the impacts of development as they relate to the natural, cultural and historic environment</li> <li>▪ Any failure to minimise adverse impact on the character and amenity of the community.</li> <li>▪ Failure to meet environmental commitments within the resources available.</li> <li>▪ Failure to meet legal requirements resulting in EPA fines or penalties.</li> <li>▪ Failure to take sufficient action to meet net zero target and reduce the causes of climate change in line with the adopted strategy.</li> </ul>



Risk Category	Context	Risk Appetite	Risk Tolerance	Not accepted
<p><b>Reputation</b></p>	<p>Hawkesbury City Council recognises the importance of protecting its reputation. Council strives for best practice processes and encourages community engagement and participation in decision-making to build community respect, resilience and connectedness</p> <p>Council is committed to good governance, continuous improvement and upholding community values.</p> <p>Council will engage with our staff and community to inform our decision making and create awareness of our activities.</p> <p>Council is committed to being an employer of choice. Council is committed to effective engagement with strategic partners to deliver on long-term objectives for the community.</p> <p>Council understands that negative publicity may occur when making decisions in an environment where there are competing stakeholder priorities and interests.</p> <p>Council has a Moderate appetite for negative impacts on Council's reputation and Low appetite for activities that impact a reputation as an employer of choice.</p>	<p><b>Moderate</b></p>	<p>Council will tolerate:</p> <ul style="list-style-type: none"> <li>▪ <b>Moderate</b> adverse media scrutiny to advocate issues for greater benefit to the community.</li> <li>▪ <b>Moderate</b> damage to reputation for decisions or innovation to services and practices in long-term interest of Council and community.</li> <li>▪ Short-term reputational damage where significant benefits can be achieved.</li> <li>▪ <b>Moderate</b> level of incidents, isolated concerns and complaints that can be resolved by day-to-day management.</li> </ul>	<p>Council will <b>not</b> tolerate:</p> <ul style="list-style-type: none"> <li>▪ Unethical, corrupt, fraudulent, unprofessional behaviour or failure to exercise respect and duty of care in accordance with Council values.</li> <li>▪ Decision-making that is not open, honest and transparent and fails to reflect the long-term interests of the community.</li> <li>▪ Material breaches of the Code of Conduct.</li> <li>▪ Failure to uphold the probity of Council decision-making.</li> <li>▪ Any failure to avoid or appropriately manage conflicts of interest.</li> <li>▪ Any failure to act in a fair, honest, transparent and accountable manner.</li> <li>▪ Any failure to ensure good governance, financial acumen and a good customer experience.</li> <li>▪ Inadequate consultation with key stakeholders that results in loss of confidence in the Council's capabilities.</li> <li>▪ Complaints that are not managed in a prompt and professional manner.</li> <li>▪ Any failure to manage systemic complaints on the same topic.</li> <li>▪ Any failure to ensure good governance of 3<sup>rd</sup> parties managing assets and/or delivering services on Council's behalf.</li> </ul>



Risk Category	Context	Risk Appetite	Risk Tolerance	Not accepted
<p><b>Compliance</b></p>	<p>Hawkesbury City Council committed to ethical practices, doing the right things and upholding values expected by our community.</p> <p>Council is committed to meeting legal and regulatory requirements in a consistent, prompt and fair manner.</p> <p>Council has zero appetite for significant breaches of legal obligations or contractual arrangements that result in fines, penalties or significant reputational damage.</p>	<p><b>Low</b></p>	<p>Council will tolerate:</p> <ul style="list-style-type: none"> <li>▪ <b>Minor</b> impact of breaches that are unforeseen or due to unrealistic regulatory timeframes</li> <li>▪ <b>Minor</b> isolated breaches of an administrative nature with no material impact on Council.</li> </ul>	<p>Council will <b>not</b> tolerate:</p> <ul style="list-style-type: none"> <li>▪ Any fraudulent, improper, unethical or corrupt conduct</li> <li>▪ Any instances where staff knowingly break the law, fail to comply with legal obligations or recklessly or systemically breach internal policies</li> <li>▪ Significant or systemic breaches of legislation, regulation or contractual obligations</li> <li>▪ Reckless breach of legal, regulatory obligations or contract arrangements.</li> <li>▪ Failure to manage compliance obligations in accordance with the compliance framework</li> </ul>
<p><b>Operations</b></p>	<p>Hawkesbury City Council delivers a range of community services, events and facilities that contribute to the health, well-being and economic development of the community.</p> <p>These services depend on systems, third parties and people.</p> <p>Council recognises that being reliable and delivering services to community of the highest quality for the available funding is essential to protecting the environment, supporting a strong economy, and ensuring Hawkesbury remains a great place to live.</p> <p>Building strong enduring partnerships for service delivery based on shared ownership is a core strategy.</p>	<p><b>Moderate</b></p>	<p>Council will tolerate:</p> <ul style="list-style-type: none"> <li>▪ <b>Moderate</b> unforeseen service interruptions from uncontrollable events where Council responds and communicates promptly to impacted stakeholders</li> <li>▪ <b>Low</b> unforeseen service interruptions from uncontrollable events to critical services</li> <li>▪ <b>Moderate</b> impacts on service delivery due to the implementation of new technology or improvement projects</li> <li>▪ Adjustment to delivery of services approved by the relevant Director.</li> <li>▪ <b>Minor</b> reputational impact of some one-off complaints regarding service quality.</li> </ul>	<p>Council will <b>not</b> tolerate:</p> <ul style="list-style-type: none"> <li>▪ Actions and behaviours contrary to the Customer Experience Framework</li> <li>▪ Failure to consider and respond to issues relating to quality-of-service delivery.</li> <li>▪ Non-compliance with policies, procedures and service standards that impair the quality-of-service delivery or results in service interruptions.</li> <li>▪ Failure to adequately respond to major incidents or unplanned disruption to critical services.</li> <li>▪ Failure to escalate moderate impact project risks or variations.</li> </ul>



Risk Category	Context	Risk Appetite	Risk Tolerance	Not accepted
	<p>Council encourages business improvement and innovation. Council is willing to take Moderate risk to enhance service delivery to the community or improve efficiency.</p>		<ul style="list-style-type: none"> <li>▪ <b>Moderate/multiple</b> late project delivery due to unforeseen events or reprioritisation approved by the relevant Director.</li> <li>▪ <b>Minor</b> unforeseen or unavoidable project variations to meet community needs that have been approved.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Failure to proactively monitor and manage the cyber security framework.</li> <li>▪ Material control weaknesses not remediated within agreed timeframes.</li> </ul>
<p><b>People &amp; Wellness</b></p>	<p>Hawkesbury City Council aims to support, encourage and celebrate our people who work to support our community.</p> <p>Council recognises that its biggest and most valuable assets are its people. We work as a team to support a safe and healthy work environment that treats everyone with fairness and respect.</p> <p>We are committed to developing and maintaining a culture of continuous improvement, to attract, retain and develop a highly capable workforce to operate effectively in a challenging and changing environment.</p> <p>We support a blame-free culture as we recognise the potential for human error as no environment is risk-free.</p> <p>Council is committed to transforming work practices to meet Our Vision of being '<i>A contemporary organisation where we are empowered to deliver great outcomes for our community</i>'.</p> <p>Council is committed to continuously repositioning its workforce to respond to the changing operating</p>	<p><b>Low</b></p>	<p>Council will tolerate:</p> <ul style="list-style-type: none"> <li>▪ <b>Minor</b> and unforeseen injuries that arise whilst undertaking normal activities</li> <li>▪ <b>Moderate</b> morale issues relating to improving workforce performance or innovation to enhance efficiency or quality of service delivery to the community.</li> <li>▪ Short-term staff dissatisfaction and uncertainty with change projects aimed at improving employee well-being and organisational performance in the medium to long term.</li> <li>▪ Minor staff grievances that can be dealt with through normal internal mechanisms</li> <li>▪ A Moderate Risk is accepted in Industrial relations in managing staff performance issues where they are impacting on Organisational performance and other staffs morale and performance.</li> <li>▪ Moderate Risk is accepted of possible Industrial action relating to implementing changes to transform the organisation to meets its Vision and values</li> </ul>	<p>Council will <b>not</b> tolerate:</p> <ul style="list-style-type: none"> <li>▪ Actions or behaviours that contravene the Code of Conduct and Council's values and behaviours</li> <li>▪ Practices that knowingly compromise staff wellbeing, and workplace or community safety (including bullying, harassment or discrimination).</li> <li>▪ Activities and practices that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to people.</li> <li>▪ Failure to support the physical and mental well-being of staff.</li> <li>▪ People knowingly putting themselves at risk.</li> <li>▪ Failure of managers to manage performance.</li> <li>▪ Failure to equip staff with the skills and flexibility to respond to disruptions.</li> <li>▪ Unsafe infrastructure/community assets not repaired or restored promptly impacting community safety of community.</li> </ul>



Risk Category	Context	Risk Appetite	Risk Tolerance	Not accepted
	<p>context and customer expectation and accepts the risks associated with Staff morale and Industrial relations in operating in an environment of high change.</p> <p>Council has no appetite for work practices, actions or inactions that compromise the well-being and safety of people - including staff, contractors and the community.</p> <p>Council has a low appetite for risks relating to people and wellness.</p>			





### **Monitoring and Reporting**

Any potential breach of the Risk Appetite Statement should be reported to the Manager Governance and Risk. Compliance with each risk appetite and tolerance will be formally monitored by the Senior Leadership Team and reported to the Audit, Risk and Improvement Committee.

### **Review**

The Risk Appetite Statement will be reviewed annually to ensure alignment with the Community Strategic Plan, Delivery Program and Operational Plan, and appropriateness given changes in the internal and external operating environment. Any material changes the Risk Appetite Statement will be provided to the Audit, Risk and Improvement Committee for review. In the event of material changes to environment, operations or strategy, the Risk Appetite Statement will be reviewed, and changes made where appropriate.