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SECTION 1 - INTRODUCTION

Background

The Buloke Shire Council (Council) is a public statutory body incorporated under the *Local Government Act 2020*.

The Shire covers more than 8,000 square kilometres of the Mallee region in the state's northwest, stretching between Lake Tyrrell, Victoria's largest Salt Lake, and the northern reaches of the Avoca River.

The Council serves the communities of Wycheproof, Charlton, Donald, Birchip, and Sea Lake, as well as the smaller townships of Berriwillock, Culgoa, Nandaly, Nullawil, and Watchem.

Agriculture, specifically grain production, is the primary source of income and employment in the area. Other forms of farming, education, retail, community service sectors and light industry also provide employment and income.

Services, projects, and activities of Council are conducted in accordance with the Long-Term Community Vision Council Plan 2021-2025. These Plans form the basis for how resource budgets and staff support are provided.

Our Vision:

Building a Better Buloke – A healthy, connected, inclusive and prosperous community.

Our Values:

- Good communication
- Transparency in decision making
- Accountability for actions
- Working collaboratively with partners
- Taking responsibility
- Being responsive and timely

Introduction

The Council is committed to an integrated approach to risk management to:

- Protect its staff, assets, liabilities, and community against potential exposures
- Minimise uncertainty in achieving its goals, and
- Maximise opportunities to achieve its Strategic Objectives

The risk management process is not static, nor does it operate in a vacuum as a stand-alone discipline. It requires full integration with the Council's business process including key business drivers and activities as part of good management practice. Effective identification, assessment and evaluation of defined risks are critical to the Council achieving its strategic objectives, as outlined in the Long-Term Community Vision and Council Plan 2021 – 2025 and meeting overall community expectations.

Council in performing its role in accordance with section 9 of the *Local Government Act 2020*, will embed its risk management practices across Council to inform its decision making and delivery in the key functions of:

- Community Vision
- Council Plan
- Policy Development
- Service Delivery
- Financial management and budgeting
- Project management and delivery
- Change management processes

The embedding of risk management is achieved by ensuring that risks which may impact Council's Strategic Objectives are captured in the risk register, control plans are identified and implemented in accordance with the Framework.

The following risk management activities are currently being undertaken by the Council:

Assets

- Asset renewal program and budgeting
- Project risk assessments
- Project delivery risk assessments

Corporate Governance

- Reporting insurance claims
- Incident Management Reporting
- Annual internal audit program
- External audit both Interim and Year End
- Audit and Risk Committee Reporting
- Business Continuity Plan
- Disaster Recovery Plan
- Onboarding and Induction Training and Compliance

Financial Management

- Monthly financial reporting
- Quarterly financial reporting
- Procurement reporting
- Project management and reporting

The Council's Risk Management Framework (Framework) is developed to ensure the objectives of the Risk Management Policy (Policy) are achieved. The Framework describes the key principles, elements, and processes to guide all staff to effectively manage risk, as a component of day-to-day decision making and business practice.

Purpose

The purpose of the Framework is to provide details of the requirements and processes supporting Council's Policy. It is designed to assist managing uncertainty, its associated risks, and opportunities, as well as enhancing the Council's ability to achieve its objectives.

The Framework will:

- Align to the objectives of the Policy
- Ensure consistent application of reporting assessment and treatment of Council's identified risks
- Provide clarity around the accountability for controls, reporting, strategies, and actions
- Assist in the development of a continuous improvement culture integrating the risk management process into management structures.

Scope

The Framework applies to the following categories:

- Strategic risks: associated with high level goals that align to Council's community, annual and business plans which may affect Council's corporate objectives
- Operational risks: associated with departmental functions and daily operations
- Project risks: associated with project management

- Compliance risks: associated with regulatory and legislative requirements.

Definitions

Within the Risk Management Framework –

“Consequence” is the outcome of an event affecting objectives.

“Council” means Buloke Shire Council.

“Inherent Risk” is the amount of risk that exists before risk treatments or controls are applied. This is calculated at Council using the inherent risk matrix, factoring in likelihood and consequences.

“Likelihood” is the chance of something happening.

“Operational Risks” are risks associated with departmental functions and day-to-day activities which deliver essential services.

“Project Risks” are risks associated with project management that impact milestones connected to delivering a specific project.

“Residual Risk” is the amount of risk that remains after controls are applied. Residual risk should be used as the basis for determining whether the risk level is acceptable for Council (as per Risk Attitude Statements).

“Risk Management” is the effect of uncertainty (either positive or negative) on objectives. It describes the planned and systematic approach used to identify, evaluate, and manage the whole range of business risks and opportunities facing Council. Risk management involves both the management of potentially adverse effects as well as the fulfilment of potential opportunities. The risk management process will enable Council to minimise losses and maximise opportunities.

“Risk Management Policy” is the statement over the overall intention and direction of the Council related to risk management.

“Strategic Risks” are risks associated with high level goals which align to Council Plans (such as the Council Plan and Strategic Resource Plan). Strategic risks may affect the achievement of Council’s corporate objectives.

SECTION 2 – FRAMEWORK

Risk Attitude Statements

Risk attitude statements (formerly risk appetite statements) are intended to provide a broad outline upon which management can base risk acceptance decisions, i.e., what is justifiable, what is not and what is in line with the Council’s objectives. Decisions about the acceptance or non-acceptance of risk should also consider consequences to the Council within the criteria set out in Appendix A.

It should be noted a change in the acceptance/non-acceptance of a risk attitude statement may be subject to Council resolution, where such a change is not in breach of a legal, statutory, or legislative requirement. References to the relevant sections of the *Local Government Act 2020* are outlined in the categories below.

Category	Acceptance/Non-Acceptance
Operational/Business (section 9(1)(e); section 9(1)(f))	<ul style="list-style-type: none"> • Acceptance of decisions which enable pursuit of innovation and continuous improvement • Acceptance of decisions which provide for benefits through collaboration with other councils, governments, and statutory bodies • Non-acceptance if decisions or actions which may cause significant degradation to standards to the community, organisation, and infrastructure
Sustainability (section 9(1)(c))	<ul style="list-style-type: none"> • Acceptance of decisions which promote the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks • Non-acceptance of decisions or actions which cause disadvantage the economic, social, and environmental sustainability of the municipal district
Financial Viability (section 9(1)(g))	<ul style="list-style-type: none"> • Acceptance of decisions or actions ensure the ongoing financial viability of the Council • Non-acceptance of decisions which impact negatively on Council’s long term financial sustainability
Occupational Health and Safety	<ul style="list-style-type: none"> • Acceptance of decisions or actions which improve Council’s ability to provide a safe and healthy working environment • Non-acceptance of any actions which compromise health and safety of the public or staff
Compliance, governance and legal (section 9(1)(a); section 9(1)(h))	<ul style="list-style-type: none"> • Acceptance of decisions which are made and actions which are taken in accordance with the relevant law, and in consideration of regional, state, and national plans and policies • Non-acceptance of any non-compliance with legal, professional, and regulatory requirements
Public Image and Reputation (section 9(1)(b); section 9(1)(d); section 9(1)(i))	<ul style="list-style-type: none"> • Acceptance of decisions which provide the best outcomes for the municipal community, including future generations

Category	Acceptance/Non-Acceptance
	<ul style="list-style-type: none"> • Acceptance of risks which support community engagement in strategic planning and strategic decision making • Non-acceptance of risks which damage the Council’s reputation through not providing for the best outcomes for the municipal community including future generations, lack of community engagement in strategic planning and decision making or resulting in a lack of transparency associated with Council decisions, actions, and information.

Risk Management System

A risk management system includes the methods and processes used to manage risks and identify opportunities – to achieve defined objectives. Risk management is not just about the risk assessment process nor is it a stand-alone discipline; to maximise risk management benefits and opportunities, it needs to be integrated with existing business process.

Annual (strategic) risk assessments must be undertaken by the Executive Leadership Team to address key strategic risks. Extreme and High rated risks will be reported to the Audit and Risk Advisory Committee and monitored on a quarterly (or meeting frequency) basis.

Audit and Risk Committee

The audit process plays an important role in evaluating internal controls (and risk management processes) currently employed by the Council. The Audit and Risk Committee carries out the following risk management activities:

- Monitor the systems and process via the Council’s risk register to ensure that material operational risks to the Council are treated.
- Monitor the systems and process via the Council’s Fraud register to ensure that material Fraud risks to the Council are treated.
- Monitor the process of review of the Council’s risk profile.
- Consider the adequacy of actions taken to ensure that the material business risks have been dealt with in a timely manner to mitigate exposures to the Council.

Business Continuity

Council’s Business Continuity Plan (BCP) is designed to re-establish functions and services in a timely and efficient manner, with minimal disruption to stakeholders. By understanding the environment, vulnerabilities and criticalities of the organisation, the Council is committed to ensuring there is a clear understanding of what accountabilities and responsibilities are in place when emergency, continuity and recovery response are in effect.

Risks relating to a disruption of the Council’s operations are gathered through Business Impact Analysis, testing and desktop exercises and reviews following significant incidents resulting in disruption to Council’s core services.

Occupational Health and Safety (OHS)

Risk management is the generally accepted method of systematically managing OHS. The Council has in place a suite of policies and procedures to assist in managing work related risk.

Risk Management awareness

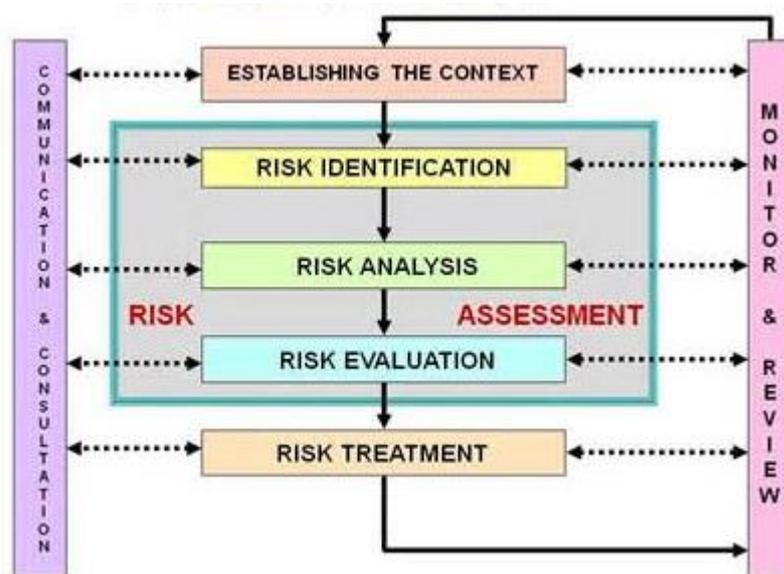
The Framework and supporting policies and tools will be made available to all staff. Risk Management awareness strategies, including training and workshops, will be completed by workers to increase the Council's risk management culture.

The Risk Management Process

The Council's risk management methodology is consistent with the principles of *AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines*. It aims to integrate risk management into all corporate governance, strategic and business planning processes and provides for risk-based decision making and planning through understanding the potential threats and opportunities associated with a specific scope of work.

The Risk Management Process consists of:

1. Establishing the context
2. Risk assessment, including identification, analysis, and evaluation
3. Treatment
4. Communication and consultation
5. Monitoring and review



1. Establishing the context

Establishing the context is the first and most important step of the risk management process. It aids in defining the scope of work to which the risk assessment will apply and considers the internal context and external context.

When establishing the context of a risk assessment, you should first determine what the objectives of the assessment are, as well as considering the objectives of the service, activity, or event.

Examples of potential risk factors include:

- Assets and Infrastructure – such as condition, maintenance, renewal, replacement, and planning
- Customer service and reputation – such as the current and potential future needs of Council's customer base
- Environment – such as environmental compliance and consequences of Council activities to the environment

- Finance – such as cash flow, budget requirements, tax obligations, and creditor and debtor management
- Governance – such as organisational structure, roles and accountabilities, and policies
- Human Resources – such as the attraction, development and retention of staff, succession planning and remuneration
- ICT – such as implementation, maintenance, and upgrades
- Political – such as meeting Council’s commitments as outlined in its Plans
- Project – such as finances, resources, contractor management and delivery dates
- Regulatory and legal – such as compliance with Acts, Regulations and Standards
- Safety – such as individual, public and workplace safety

2. Risk Assessment

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation.

a. Risk Identification

Council identifies, assesses, and treats strategic, operational and project risks. Identification will include recognising which risks need to be managed on an ongoing basis or which may have significant implications for Council in the future. A useful way to identify these risks is to ask:

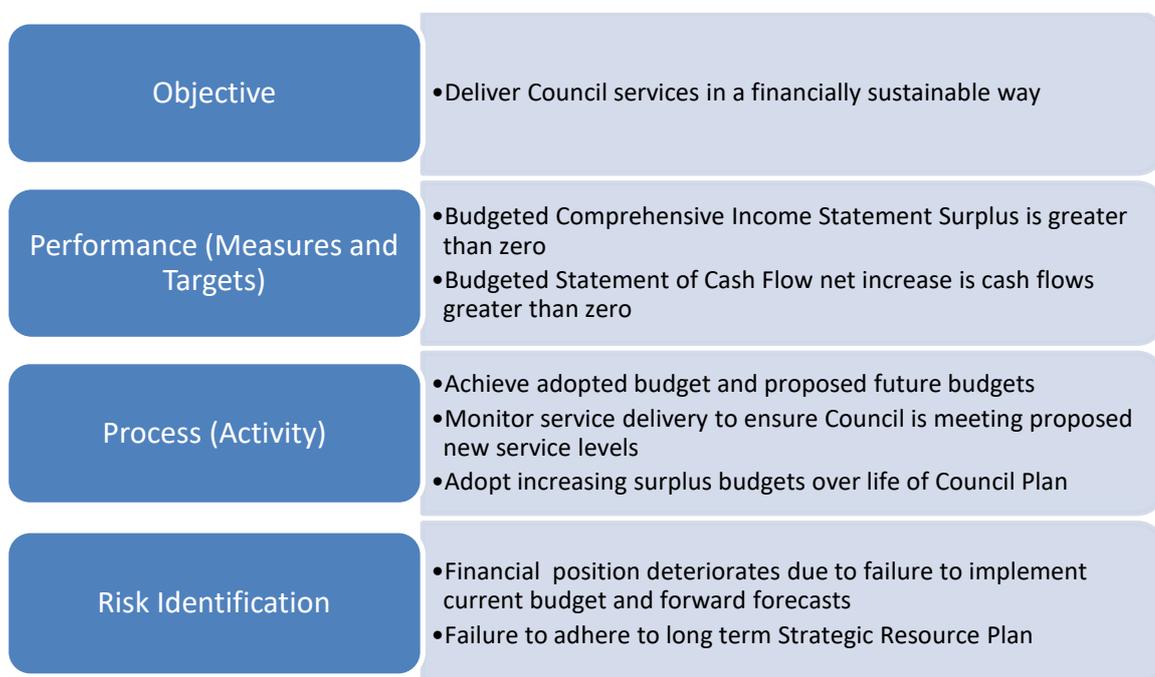
- What can happen
- Where could it happen
- When could it happen
- Why could it happen, and
- How can it happen

All staff should have the ability to be able to identify risks; to achieve this, risks should be identified on an activity basis, whereby existing and new activities are reviewed for any potential risks. The identification exercises should be a regular process, and a standing agenda item on department meetings. These exercises should establish a list of risks associated with a scope of work or project, including risks associated with not pursuing an opportunity. All significant causes and consequences should be considered.

This principle is demonstrated below:



Using the above principle, a breakdown on the identification process may be as follows:



b. Risk analysis

Risk is measured by the consequence (or impact) on Council and the likelihood the risk will become an actual event. In simple terms, this is about developing an understanding of the risk itself, which in turn will enable an effective risk evaluation, decisions on whether risks need to be treated, and the most appropriate risk treatment strategies and methods.

The risk assessment criteria require the application of two measures when determining the risk level:

- Consequence (impact)
- Likelihood (probability)

An inherent risk rating can then be obtained by the following:

Inherent Risk = Consequence x Likelihood

Without taking the effect of controls into account.

The consequence categories in the risk assessment criteria are those which reflect the business drivers of Council. Council’s consequence categories are defined below (Council’s full consequence table is outlined in *Appendix A*):

Operational/Business	The impact on Council operations and delivery of service in terms of outage time and operations against the requirements of section 9(1) of the <i>Local Government Act</i>
Sustainability	The impact on the economic, social, and environmental sustainability of the municipal district
Financial Viability	All revenue, savings, direct and indirect costs such as fines, legal expenses (including claims and settlements), operational costs (including workarounds and additional resources) and capital expenses
Occupational Health and Safety	Any injury, illness, disease, and fatalities which may occur to staff, contractors, volunteers, customers, and the public

Compliance, Governance and Legal	Any potential breach of regulations, statutes, or contracts, as well as any legal proceedings, prosecution, suspension of activity or financial penalties
Public Image and Reputation	Perceived impact on image of Council derived from media, political or community attention and expectations

The likelihood is the probability that the consequences will occur. In this step, it is important to assess or focus on the consequences and not the event itself. This may include a review of historical data, and existing controls and their effectiveness in mitigating the risk.

Council’s Likelihood table is outlined in *Appendix B*.

An ‘inherent risk rating’ can now be obtained by using the Likelihood and Consequence tables. Council’s defined levels of risk are: Low, Medium, High, and Extreme. Council’s Risk Matrix is outlined in *Appendix C*.

c. Risk evaluation

Risk evaluation is essentially the process of prioritising which risks are going to be treated and how quickly treatment action is required. It gives Council an indication of whether a risk is ‘acceptable’ or ‘unacceptable’, where ‘unacceptable’ risks need to be reduced through further controls.

The assessment of ‘acceptable’ and ‘unacceptable’ risks will largely be determined by Council’s risk attitude (also referred to as risk appetite), as outlined earlier in this framework.

Ultimately, there are two options available in the risk evaluation process – to accept or treat the risk – and the decision to do so will be unique to the risks’ context and consider the wider context of the risk (i.e., alignment with Council objectives and legislative and regulatory requirements).

The risk ratings within Council’s Risk Management Matrix will assist in guiding Council’s response to the identified risk. As a rule of thumb **extreme risks** require urgent and immediate action, and **high risks** require management attention and specific action within set timeframes, to bring the risk to a more acceptable level.

Moderate risks and **low risks** should be subject to ongoing review and action within the relevant department. Mitigation of these risks should be undertaken when it is considered the current controls in place will not be appropriate in the future as a result of any changes to the operating and external environments.

Prior to developing and implementing treatment plans (outlined below), the effectiveness of current controls and costs associated with the management of the risk should be considered. In some cases, this review may identify all reasonable steps to control the risk are already in place and any further action would be uneconomical.

Controls are methods for evaluating impacts and taking action to reduce or eliminate the potential for the event occurring. There are several ways controls can be implemented, including procedures, training, checklists, process changes, audits, and business decisions. Questions to test the effectiveness of current controls may include:

- How does the control impact the likelihood and consequence of the risk?
- Is the control reliable?
- Is the control specific in addressing the risk in question?
- Is the control understood and being applied as intended?

Controls can be categorised in three distinct categories:

- **Preventative controls:** Apply at the beginning of a risk’s lifecycle or sit near the root cause of the risk. They primarily reduce the likelihood of the risk occurring.
- **Detective controls:** Apply somewhere in the middle of the lifecycle and rely on the analysis of information to detect the impact of the risk.

- **Reactive controls:** Apply towards the end of the risk's lifecycle, when the impact is imminent, or likelihood is high. They focus on modifying the impact of the risk.

A combination of these control types should be recorded against each individual risk (where applicable), ensuring controls are specific and are customised to each individual risk identified. Once the level of controls has been applied to the identified risk, a residual risk rating can be applied. Residual risk is the level of risk that remains after the controls have been considered. Risk evaluations and subsequent treatment plans should be determined based on the residual risk.

3. Risk Treatment

Risk treatments involve identifying possible methods for reducing, removing, or managing the risk. Treatment will involve one or a combination of the following:

1. Accept the risk – take no further action
2. Mitigate the risk – do something to treat, reduce or change the risk. This is the most common approach to risk treatment and may include an action to reduce the likelihood, consequence, or both
3. Avoid the risk – do not start or eliminate any activity associated with the risk. The key consideration is whether the activity is inherently risky and unavoidable. The elimination of the activity may not be possible as it is critical to Council's objectives
4. Transfer the risk – allocate or share the risk with third parties, such as through insurance or contractor management activities.

Key questions when considering the most appropriate risk treatment strategy may include:

- Are stakeholders prepared to accept the mitigation strategy?
- Is it aligned, and consistent, with Council practices?
- Is it cost effective? Can the same result be achieved at a lower cost and/or through an alternative approach?
- Is it sustainable?
- How does it meet with our regulatory and legislative requirements?
- Does it introduce new risks to Council?

4. Communication and Consultation

Communication and consultation recognise the need to promote and embed risk management concepts within Council. Effective communication should occur at an early stage in the risk management process to ensure those involved with, and affected by, decisions understand why those decisions were made.

5. Monitor and Review

The ongoing monitoring and review of risk assessments and plans will ensure any changes in risks can be recorded. Risks can and do evolve during the lifecycle of any project or Plan, and a regular review of strategies and actions will ensure treatment strategies remain relevant by:

- Ensuring implemented controls are effective
- Providing further information to improve risk assessments
- Identifying possible emerging risks
- Considering any new activities which may influence established risk management strategies.

The following monitoring and review programs should be in place:

- Operational risks – annual review
- Medium/Low risks – annual review
- Extreme/High risks – quarterly review
- Project risks – reviewed at transition between project phases and at conclusion of project.

The date of each review conducted should be recorded against each individual risk within Council's risk register, to track when each risk has been reviewed and the officer who has conducted this review.

Risk Register

Council's risk register underpins the risk management framework and is essentially a comprehensive library of risks. It provides clear information on the current risk profile by documenting risks, current controls, and future management strategies. It also allows Council to monitor and review the timeliness and effectiveness of controls, with the aim of reducing risks as far as reasonably practicable.

Risk Reporting

Council's risk reporting structure is a critical component of the risk management process. Effective reporting will provide information on key and emerging risks and may also uncover trends in data. In addition, risks identified in one area may have implications across Council in a broader sense and can be captured as part of the reporting process.

It is also important to be able to report against the performance of the risk management system to evaluate performance and ensure continuous improvement of processes. Reporting should include communication of the risk management activities as well as outcomes achieved of the risk management system.

Risk Management KPIs are to be monitored and reported against to assess the performance and effectiveness of the risk management system.

SECTION 3 – RESPONSIBILITIES

In relation to the application of this document, the following roles and responsibilities shall apply:

Council

- Endorse the systematic approach to managing risk and opportunity across Council operations.
- Facilitate resources and guidance in relation to the Risk Management policy and associated Framework.
- Review and consider any report or recommendations regarding the Risk Management Framework.

Audit and Risk Committee

- Review and endorse the Risk Management Framework.
- Ensure a Framework is in operational and delivers a consistent approach to risk management.
- Review reports from management and Auditors and monitor that effective risk and opportunity management controls have been implemented.
- Liaison with external auditor.
- Review annual financial statements.
- Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices.

Chief Executive Officer (CEO)

- Review, endorse and implement the Risk Management policy and Framework.
- Promote a strong risk management culture by providing firm and visible support for risk management including ensuring appropriate delegations for the management of risk.
- Ensure a Framework is in operation and delivers a consistent approach to risk management.
- Ensure managers have the necessary knowledge and skills to effectively fulfil their risk management responsibilities and are accountable for risks arising from the activities of their departments.
- Ensure annual risk management planning is undertaken.

Director Corporate and Organisational Performance

- Provide guidance and assistance to staff in relation to the application of this framework and reporting within the Risk Register.
- Ensure relevant risk information is reported and escalated to the Senior Management Team, CEO and/or Audit Committee, or cascaded to staff, as appropriate.
- Maintain the Risk Management policy and framework (including associated templates) to ensure its currency and accuracy.
- Provide support and advice to managers and staff in the application and use of the Framework.

Employees, Volunteers, Contractors

- Understand the risk management processes which are integrated into all Council activities.
- Identify, evaluate, report, and manage risks in daily activities and projects.

Individual Risk Owners

- Responsibility for the management and administration of the assigned risks.
- High or extreme rated risks should be assigned to executive management/CEO level.

SECTION 4 – REFERENCES, SUPPORTING DOCUMENTATION AND GOVERNANCE

References
<i>Local Government Act 2020</i>
<i>AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines</i>
<i>Occupational Health and Safety Act 2004</i>
Long-Term Community Vision and Council Plan 2021-2025
Buloke Shire Council Code of Conduct for Councillors
Buloke Shire Council Code of Conduct for Staff
Buloke Shire Council Risk Management Policy
Buloke Shire Council Occupational Health and Safety Policy
Audit and Risk Committee Charter
Audit and Risk Committee Annual Work Plan
Business Continuity Plan
Disaster Recovery Plan
Project Management Framework
Buloke Shire Council Risk Register

APPENDIX A – CONSEQUENCE TABLE

Score	Consequence	Operational/Business	Sustainability	Financial Viability	Occupational Health and Safety	Compliance, Governance and Legal	Public Image and Reputation
1	Insignificant	Negligible or no impact or brief loss of service for less than one day	No measurable impact on economy, community or environment or brief non-detrimental and transient effect	Less than \$25,000	Injuries or illness no requiring first aid or medical treatment	Possible minor breach of statute/regulation. Little or no impact	Resolved in day-to-day management. Little or no impact
2	Minor	Some inefficiencies and/or delays in delivery of support services and non-critical functions. No impact on client service standards. Brief service interruption for one day	Small impact on economy, community, or environment with no lasting effects	Up to \$100,000	Minor injuries/first aid only required	Minor breach of statute/regulation or minor delays in meeting legal requirements	Sporadic localised unfavourable publicity. Customer complaint. No impact on staff morale
3	Moderate	Inability to provide key support services according to expected service levels (e.g., payroll). No notable impact on client service standards. Temporary recoverable service failure between two and three days	Some impact on economy, community, or environment no long-term effect or small impact with long-term effect	\$100,000 to \$300,000	First Aid and ongoing medical treatment required	Some breach of material terms of key contracts or agreements. Formal warning from regulator. Threat of legal action against Council, but able to be resolved through negotiation/remedial action by Council	Localised negative publicity/local community concern. Loss of community trust or confidence in service delivery. Limited impact on staff morale

4	Major	Significant delays and inefficiencies in core processes and systems impacting significantly on customer service levels. Service or provider needs to be replaced or modified. Essential process/system not available for between three to five days	Significant impact on economy, community or environment with long term effects and requiring restorative work	\$300,000 to \$600,000	Life threatening injury or multiple serious injuries requiring hospital admission	Suspension of activity and prosecution/financial penalty. Noticeable increase in claims and legal liability. Most exposures covered by existing insurance cover	Significant/continued adverse state-wide and local political media scrutiny and exposure. Requires intervention of the CEO and/or Council to answer public concerns
5	Extreme	Essential process/system not available for greater than five days. Prolonged inability to provide basic services. Inability to perform core client functions and/or loss of revenue	Extensive impact on economy, community, or environment /or permanent and irreversible damage	Equal to or greater than \$600,000	Death or permanent disability to one or more persons or multiple life-threatening injuries	Prosecution (civil and/or criminal proceedings). Financial penalty or cessation of activity. Significant increase in volume and value of legal exposures and claims. Critical services impacted by cancellation of contracts. Exposures not covered by current insurance cover	Council or external enquiry, commission inquiry or significant/continued adverse national, state, and local media scrutiny or exposure. Permanent loss of community trust. Withdrawal of funding/key grants, etc. Low staff morale resulting in loss of key staff

APPENDIX B – LIKELIHOOD TABLE

Score	Description	Example	Indicative Frequency
A	Rare	The incident may only occur in exceptional circumstances. Its predictability is negligible	Highly unlikely to occur in the next five (5) years. No history of adverse event in the Council.
B	Unlikely	The incident could occur at some time and is unpredictable	Event not likely to occur in the next five years, but there is a slight possibility of occurrence (less than 25%).
C	Possible	The incident should occur at some time and has a low predictability	50/50 chance of the event occurring in within the next three to five (3 to 5) years. Event is equally likely to occur as not.
D	Likely	The incident will probably occur occasionally and is predictable	There is a strong likelihood that the event will occur at least once in the next year (50-75%). History of event/s in Council or other Councils.
E	Almost Certain	The incident is expected to occur regularly and is predictable	The adverse event is likely to occur at least one in the next 12 months (greater than 75%).

APPENDIX C – INHERENT RISK MATRIX

Likelihood		1	2	3	4	5
Almost Certain	E	Medium	High	High	Extreme	Extreme
Likely	D	Medium	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	Extreme
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	High
Consequence		Insignificant	Minor	Moderate	Major	Extreme