Risk Management Framework
Created March 2014

TABLE OF CONTENTS

Flinders Council Risk Management Framework

1.0 BACKGROUND

Risk exists in all aspects of an organisation's activities. AS/NZS ISO31000:2009 - Risk Management Principles and Guidelines ('the Standard') defines risk as "the effect of uncertainty on objectives". Risk management refers to the coordinated activities to direct and control an organisation with regard to risk.

Flinders Council's Risk Management Framework (The Framework) outlines the way we implement, monitor, review and continually improve our understanding of risk and how we use this information to make informed decisions.

Risk management involves establishing a customised Framework (this Framework), within which we can promote a risk aware culture, and the application of logical and systematic risk management processes to stages of the life cycle of agreed decisions, activities, functions or operations that may include the potential for unacceptable risk.

2.0 INTRODUCTION

Risk Management is critical to our ability to achieve the key result areas contained in our Strategic Plan.

By fostering a vibrant risk management culture that encourages people at all levels to think about and understand risk, we seek to minimise the waste of our resources i.e. human, financial and endeavour to ensure that Council decisions, events, activities and projects are undertaken with consideration of risk to the organisation, its people and the community.

Achievement of the Strategic Plan and key results areas can depend on a number of factors including:

- The health and well-being of our people;
- Due care towards our customers and the community;
- The protection of our assets; and
- Incorporating legislative requirements into our work processes.

3.0 STATEMENT OF COMMITMENT

We will, as far as is reasonably practicable, protect our workers and the community through the application of sound management principles and practices to manage our exposure to risks. Risk management:

- Creates and protects value;
- Is an integral part of our organisational processes;
- Is part of our decision making;
- Addresses uncertainty;
- Is systematic, structured and timely;
- Is based on the best available information;

- Is tailored;
- Takes human and cultural considerations into account;
- Is transparent and inclusive;
- Is dynamic, iterative and responsive to change; and
- Facilitates continual improvement.

We are committed to managing our risks by identifying; analysing, evaluating, treating, monitoring and communicating risks that are perceived to impact on our ability to achieve our vision and strategic objectives.

Our Risk Management Framework demonstrates our commitment to risk management, to be embraced by workers, Councillors and Committees engaged in Council business and defines the responsibilities of those involved in the process of managing risk.

In order to achieve an appropriate balance between realising opportunities for gains and minimising losses; Council will endeavour to manage risk at strategic and operational levels to ensure that it can make more informed decisions with respect to its activities. See Flinders Council's Risk Management Policy .Section 13.0 - Hyperlink

Flinders Council acknowledges that the adoption of a strategic and formal approach to risk management may provide numerous benefits. These benefits include but are not limited to:

- Good corporate governance;
- Compliance with relevant legislation;
- Protecting people's safety;
- Proactive rather than reactive management;
- Rigorous decision making and planning; the right decisions for its people and our community;
- Improved identification of opportunities and threats;
- Effective allocation and use of resources;
- Improving workers confidence;
- Maintaining a positive public image;
- Effective asset management;
- A clear understanding by stakeholders of their roles, responsibilities and accountabilities for managing risk;
- The development of a more risk aware organisational culture through enhanced communication, measurement and reporting of risk.

The Framework builds on the objectives of Flinders Council's Risk Management Policy and outlines the methodology adopted to identify, assess, manage and report on identified risks in the organisation to

ensure parties understand how risk is managed. The Framework aims to integrate the process for managing risk into the organisation's various activities.

The Framework supports Flinders Councils' Vision, Mission and Values as outlined in our Strategic Plan.

4.0   OBJECTIVES

The aim of the Risk Management Framework is not to eliminate risk, rather to understand our risk appetite and manage risk on an ongoing basis in a consistent way across the organisation, whilst maximising opportunities and minimising adversity. It provides a system for the setting of priorities when there are competing demands on limited financial and employee resources. Furthermore, the Framework supports the transparency of risk information to stakeholders and interested parties.

Risks emerge as circumstances change – risk is dynamic and as such the process of risk management should be continual. Risk management forms part of our Business Planning process and how we do our work and deliver services to our community on a day to day basis. Responsible risk management activity should be a part of the normal management practice and actions of workers.

Flinders Council recognises the risk management framework provided by the Risk Management Standard AS/NZS ISO 31000:2009 and accordingly is developing and implementing its approach to:

- Identify risk
- Analyse risk
- Evaluate risk
- Treat risk
- Monitor and review risk
- Communication and consultation regarding risk

 The Framework is designed to develop over time, key objectives are:

- Sound risk management practices and procedures are fully integrated into Council's strategic and operational planning processes;
- Threats and opportunities associated with all documented key result areas are identified, evaluated, treated, monitored and communicated in accordance with the process outlined in AS/NZS ISO 31000:20009 Risk Management;
- The risk management approach is supported by consultation and communication at all levels;
- Remedial actions identified as a result of incident investigations are documented, implemented and communicated to prevent recurrence;
- Appropriate risk treatment strategies will be included in organisational procedures and processes needed to assist Council in achieving its business outcomes. These strategies will

take into consideration, relevant standards, codes of practice and appropriate legislative guidelines;

- Council workers with specific risk management responsibilities are aware of and effectively exercise those responsibilities. Responsibilities are documented in Position Descriptions;

- Council stakeholders i.e. Workers, Mayor and Councillors, Committees, Lease Holders and the public cooperate to create a safe environment and preserve assets for the future;

- Adequate information, training and supervision are provided to Workers, Councillors, Lease Holders and Committees; and

- The Risk Management Framework and associated processes and tools are documented, recorded and reviewed on a regular basis to ensure ongoing suitability to the organisation's needs.

5.0 SCOPE and RISK APPETITE

A risk event can result from an occurrence or change of a particular set of circumstances. The effect is a deviation from the expected and can be positive and/or negative. Risk sources within the context of Flinders Council's operations include:

- **Business Continuity and Business Systems** - *Covers business continuity issues (including IT issues), including those attributable to natural and man-made disasters*

- **Environment** - *Covers environmental performance of Council's operations including adverse outcomes relating to aboriginal heritage, air, fauna, flora, water, waste, noise & vibration, land, sustainability, hazardous materials*

- **Finance and Economic** - *Covers financial capacity, availability of capital, the current economic environment, financial management and reporting, knowledge management, efficiency of systems, processes and organisational structure*

- **Health and Safety** - *Covers Public & Work Health and Safety issues*

- **Infrastructure and Assets** - *Covers Council's asset management (Including IT network and hardware), Buildings, Roads, Bridges, Plant & Equipment*

- **Legal Compliance and Liability** - *Covers legal compliance and liabilities attributable to non-compliance with statutory obligations, including class actions, public liability claims, product liability, professional indemnity and public health and safety*

- **Political** - *Covers the external political environment in which Council operates, including inter-governmental relations, state and national policies and relations with special interest groups*

- **Reputation** - *Covers Council's reputation with the community, customer service and capability as a regulator*

- **Strategy and Governance** – *Covers the strategic direction of the organisation*

- **Staff** - *Covers human resources, industrial relations and organisational culture particularly relating to staff values, standards of integrity and public accountability*

The appropriate level of risk appetite will depend on the nature of the work undertaken and the objectives pursued. For example, where public safety is critical (e.g. operating a nuclear power station) appetite will tend to be low, while for an innovative project (e.g. early development on an innovative computer program) it may be very high, with the acceptance of short term failure that could pave the way to longer term success. Below are examples of broad approaches to setting risk appetite that we may adopt to ensure a response to risk that is proportionate given our business objectives. To ensure consistency, our risk appetite guidelines are:

- **Averse -** Avoidance of risk and uncertainty is a key objective.

- **Minimal -** Preference for ultra-safe options that are low risk and only have a potential for limited reward.

- **Cautious -** Preference for safe options that have a low degree of risk and may only have limited potential for reward.

- **Open -** Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.

- **Hungry -** Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

The appropriate approach may vary across Flinders Council, with different areas adopting an appetite that reflects their specific role and functions.

By clearly defining our risk appetite, our organisation can arrive at an appropriate balance between uncontrolled innovation and excessive caution. Such an approach will provide clear guidance on the level of risk to be tolerated and encourages consistency of approach across the organisation.

A defined acceptable level of risk also means that resources are not spent on further reducing risks that are already at an acceptable level.

The diagram below (Figure 1) captures the relationships between risk management principles, the Framework and process.

Figure 1 -   The Relationships between the Risk Management Principles, Framework & Process
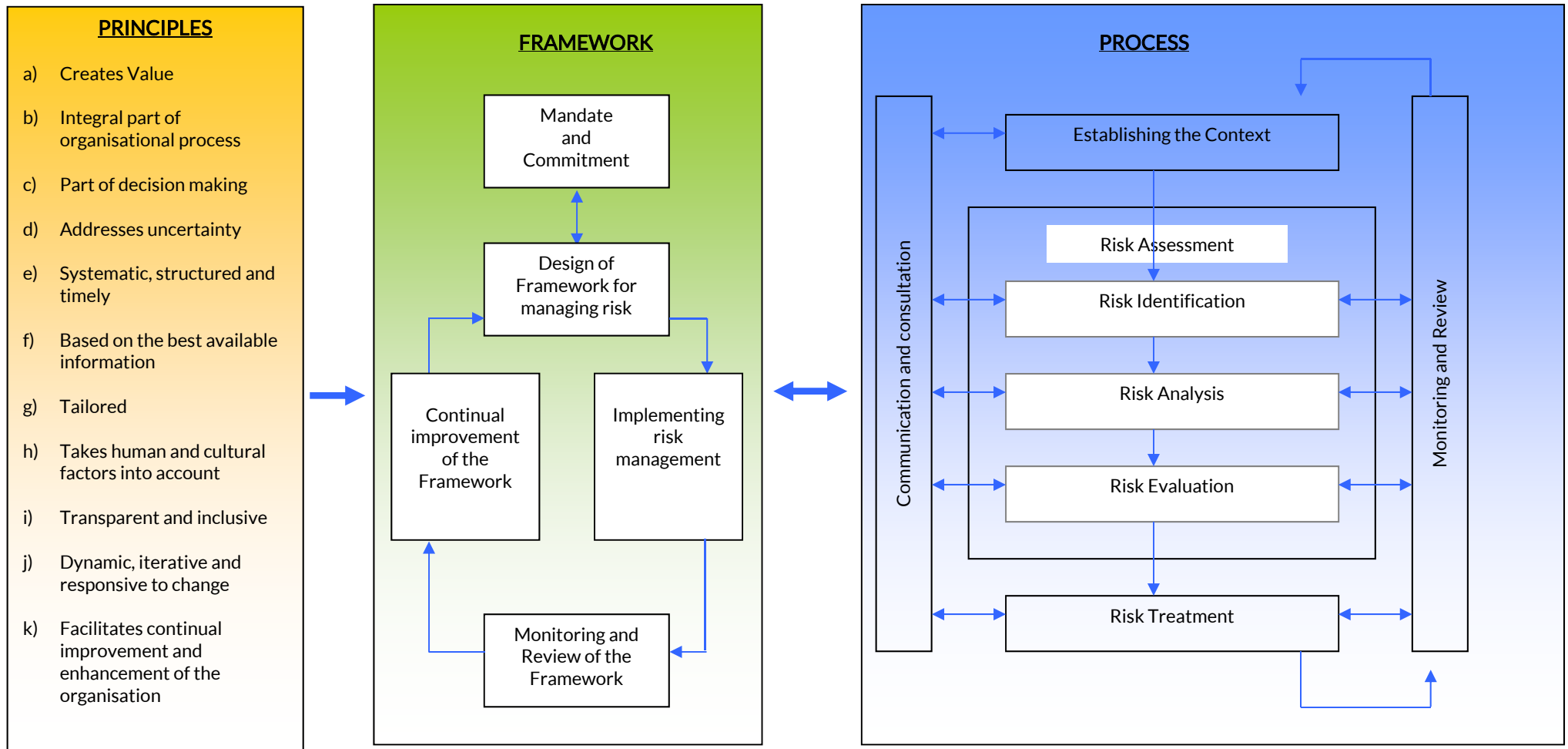
Figure 1- Source: AS/NZS ISO31000:2009 Risk Management Principles and Guidelines

Figure 2 -   Flow Chart of Flinders Council Risk Management Process

COMMUNICATE & CONSULT

Health Safety & Risk Management Committee

IDENTIFY THE RISK
What can happen?
How can it happen?

via GM and employees

ANALYSE & EVALUATE THE RISK
Determine existing controls
Determine risk appetite

Determine likelihood

GM and Safety and Risk Officer to establish the level of risk with others as appropriate

Accept Risks

YES

NO

TREAT & COMPLETE
Identify & evaluate treatment options
Prepare & implement treatment plans

GM and Safety and Risk Officer to establish and capture risk treatment in the Risk Register

POST ANALYSIS
to be undertaken to ensure corrective action is effective

Via Safety and Risk Officer, Audits and Quarterly Reporting

MONITOR & REVIEW CONTROL MEASURES

Health Safety & Risk Management Committee

Flinders Council Risk Management Framework

6.0   BUSINESS SYSTEMS

The Framework is one component of business systems to ensure sound governance within Flinders Council. The Framework aims to build resilience in the planning of service delivery for Flinders Council's municipality by highlighting the strengths of current strategies and operating practices whilst identifying the areas for improvement. The Framework supports the existing programs and initiatives undertaken by Flinders Council to manage its risk to assist in the delivery of the Strategic and Annual Plan goals and objectives.

This Framework is applicable to Flinders Council operations and functions - including activities carried out under its direction, to the public infrastructure it controls and to those situations where workers are required to work on Council projects. This includes but is not limited to:

- Strategic Direction and Governance

- Decision Making

- Business Continuity Planning

- Contract Administration Process

- Contractor Management

- Financial and Asset Management

- Event Planning

- Project Management

7.0   PLANNING AND RESOURCING

7.1   Resource Management

The Framework acknowledges that there are and always will be limitations and challenges to Flinders Council resources to deal with the treatment of risk.

However, identification of risks should not be limited by the reality that there may be insufficient funds to immediately improve how we currently manage Council's risks.

The Framework approaches the understanding and identification of risks faced by Council in the broadest context. The approach to be used is to identify risks with a view to maximise utilisation of existing resources.

In accordance with its common law 'duty of care' statutory responsibilities and Council Policy, the Council will, as far as is reasonably practicable, allocate resources to:

- Minimise Council's exposure to loss and litigation;

- Protect and enhance Council's reputation;

Flinders Council Risk Management Framework

- Protect Council's financial and physical assets;

- Maintain employee and public health and safety; and

- Ensure continuous improvement of the risk management process.

7.2   Continuous Improvement

Flinders Council's goal is continuous improvement in service delivery and business processes. The Framework complements this by consideration of:

- Consultation and Communication;

- Cost/Quality;

- Effective resource use;

- Financial sustainability; and

- Accountability.

This approach is based on the philosophy that it is better to be aware of risks (even knowing that only the most critical can be dealt with after application of a prioritisation process), than to be caught unaware when a risk event occurs.

7.3   Links to Council Planning and Budgeting Cycles

The Framework raises issues ranging from the highest strategic level e.g. Councillor decision-making through to the detailed issues of delivery of services to the community and the care of community assets.

The Risk Management process will input data and issues to the Council Strategic Planning and Budget process, Annual Plan and other asset management programs, and to service our planning activity.

7.4   Budget Planning and Prioritisation

The Framework provides an effective and transparent prioritisation tool for decision making when long term and annual financial resource allocations are decided and resources to achieve those plans are being discussed and allocated.

This process contributes to the quality of the longer term financial and asset management plans of Council. It also assists in effective decision making during strategic planning by recognising the future implications of today's decisions.

Through the use of a common framework to assess priorities; sound, transparent and defensible financial decisions and recommendations are possible.

7.5   Risk Assessments

Risk Assessments are to be completed by persons conducting work on behalf of Flinders Council as required by Flinders Council's procedures, and overseen by their respective Manager/Supervisor. The Flinders Council Risk Assessment Tool is to be used for Risk Assessments and is listed as a related document in Section 13. Risk data will be stored in Flinders Council's Risk Register which will be administered by the Safety & Risk Management Officer.

7.6   Hazards and Incidents

Hazard and incident reporting highlights hazards and incidents and allows this information to be integrated into the Risk Register under Health and Safety.   These risks are then considered in the same way as any other risk would be. The Flinders Council Accident & Incident Report Form is listed as a related document in Section 13.

8.0   KEY PERFORMANCE INDICATORS (KPI'S)

The following key performance indicators will be developed and reported each quarter to aid in tracking the implementation and effectiveness of the Flinders Council Risk Management Framework.

KPI's	2013/14 Position	2014/15 Position	2015/16 Position
Risk recorded in the Risk Register (number of)			
Risks assessed (number of)			
Risks with treatment plans (number of)			
Risks checked for treatment effectiveness (number of)			

9.0   ROLES AND RESPONSIBILITIES

Risk management responsibilities are as follows:

Council

Flinders Council

- Responsible for approving the Risk Management Policy;

- Consideration of risk and risk appetite when making decisions;

- Provision of adequate budgetary allocation for management of the Risk Management Policy.

The General Manager

- Provide the support and basis in which the Risk Management Policy can be implemented. This includes listing risk management as a priority in Council's Strategic and Annual Plan.

- As far as is reasonably practicable, provide a safe and healthy work environment, in accordance with the Work Health & Safety Act 2012, its amendments, regulations, related codes of practice and Australian Standards.

- Review contracts and lease agreements..

- Provide risk awareness training throughout the organisation

- As far as is reasonably practicable, direct Council to meet its 'duty of care' to all workers and the general public and protect its assets through education, appropriate risk financing and adequate loss control programs and measures.

- Provide proactive reporting on risk key performance indicators.

- Lead the organisation in the development and implementation of risk treatment plans for all those risks assessed as extreme.

Department Managers

- Familiarise themselves with Council's Risk Management Policy and Framework;

- Actively participate in training provided in relation to risk management;

- Employ risk management principles and practices and the tools outlined in the Risk Management Framework while undertaking strategic decision making, setting annual plan actions and daily tasks;

- Report any hazards and incidents that may have potential to expose workers, Council and the general public to unacceptable risk;

- Positively assist with investigations related to accidents or incidents that have occurred;

- Develop and manage risk treatment plans for risks owned by them; and ensure the effectiveness of risk treatment; and

- Consider recommendations from risk management audits conducted in the workplace.

Safety and Risk Management Officer:

- Coach and mentor others in the use of the Risk Management Framework;

- Review with Department Managers all aspects of risk management and its implementation on a regular basis, including risk treatment plans, risk management audits and workplace inspections;

- Consult with the OH&S and Risk Management Committee and any Health and Safety Representatives where appropriate to resolve OH&S and risk management issues;

- In conjunction with Departmental Managers, assist in the instruction and consultation with workers in relation to the proper use of plant, equipment and materials and adherence to safety rules, practices and procedures that apply to their work;

- To provide advice and assistance to all members of the organisation in relation to the development and implementation of an effective risk management system that observes the principles of AS/NZS ISO 31000:2009 Risk Management;

- Monitor the overall risk management system and the implementation and effectiveness of all treatment plans in consultation with the General Manager;

- To oversee the development and maintenance of the risk information system integrated with other organisational systems to provide timely, accurate and relevant information of losses, claims, premiums and other risk related information;

- To ensure that all documentation maintained and generated within the risk management process complies with Council's record management requirements;

- To make available relevant information on risk management issues affecting Council;

- Ensure all accidents reported are fully investigated and the appropriate corrective action has been taken;

- In conjunction with the Corporate Services Coordinator, annually (or as required) review insurances held by users of Council facilities;

- In conjunction with the Corporate Services Coordinator and the General Manager, assist to negotiate appropriate insurance covers for the organisation.

- Oversee the development and implementation of a risk management training program where funding has been provided for such;

- Review the Risk Management Policy every two years and make recommendations for improvements;

- Maintain risk management manuals and records including the following:
  o Insurance claims
  o Legal advice
  o Property and motor vehicle schedules
  o Loss records
  o Management decisions on risk
  o Technical information
  o Insurance policies

- Assist in the effective operation of the Safety Management System;

- Monitor accident reporting and recording procedures;

- Review with the General Manager all aspects of risk management on a regular basis, including workplace inspections and safety audits;

- Consult with the OH&S and Risk Management Committee and any appointed Health and Safety representatives where appropriate to resolve health and safety issues;

Flinders Council Risk Management Framework

- Provide quarterly reports to management on the effective implementation and operations of risk management

- Develop and deliver a report on Council's achievements against its Risk Management Policy and Strategy over the previous year for inclusion in Council's Annual Report

Workers

- Assist in the provision of a safe and healthy work environment and as far as is reasonably practicable, comply with the Work Health & Safety Act 2012, its amendments, Regulations, related Codes of Practice and Australian Standards;

- Ensure that risk management factors are fully considered when changing or setting up new work sites, work programs or undertaking new projects;

- Ensure all accidents, incidents, injuries or near misses within their work area are reported using Flinders Council's reporting processes, and participate in investigations when required;

- Participate in audits of activities as appropriate;

- Report any identified risk associated with Council assets, work sites or work systems.

OH&S and Risk Management Committee

Improve organisational performance and awareness of risk management by:

- Reviewing and analysing claims and reported incidents;

- Implementing a risk based audit and inspection process.

10.0   COMMUNICATION PLAN

10.1   Objectives

Communication is critical to keeping workers informed and engaged with the implementation of Flinders Council's Risk Management Framework. Effective communication mechanisms will support the following objectives:

- To keep workers and stakeholders informed and engaged with the Risk Management program development;

- Development of a common language around risk management;

- Promote learning e.g. examples of success will highlight the different applications of risk management;

- Development of a risk aware culture at Flinders Council;

- Demonstration of leadership by Executive Management in implementing the Framework; and

- Celebrate the success of the Framework implementation.

10.2   Communication Methods

The following communication mechanisms will be utilised:

- Outline of risk management in employee inductions;

- Risk implications part of Council Meeting Agenda;

- Progress reports to the General Manager on a monthly basis;

- Progress reports to Council on a quarterly basis;

- Progress report to the OH&S and Risk Management Committee on a quarterly basis;

- Progress to employees via Health, Safety and Risk notices as appropriate;

- Written messages from the GM and the Safety and Risk Management Officer for notice boards.
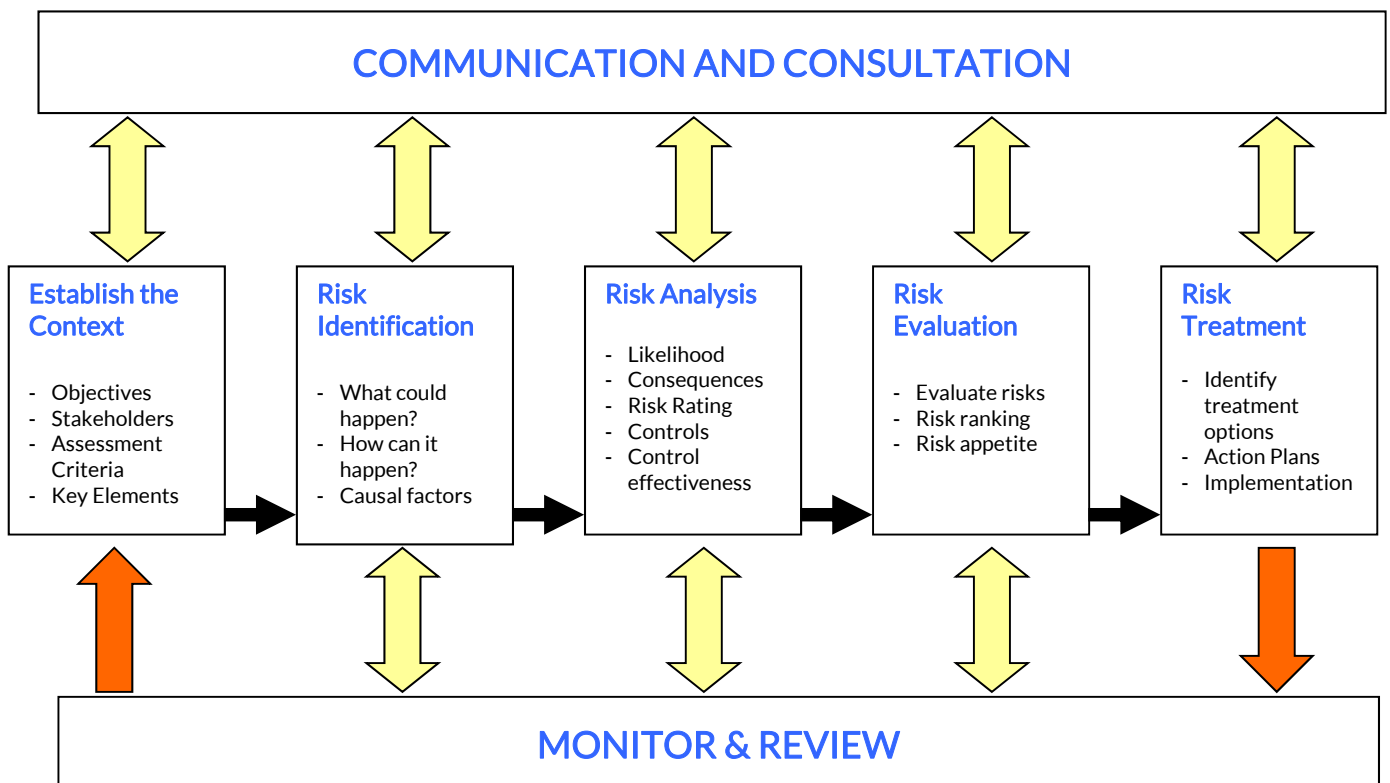
11.0   RISK MANAGEMENT PROCESS

11.1   Overview

The risk management process should be:

- An integral part of management;

- Embedded in culture and practice, and

- Tailored to the business processes of Flinders Council

   The risk management process adopted as part of this Framework is consistent with the Standard as depicted below:

COMMUNICATION AND CONSULTATION

Establish the Context	Risk Identification	Risk Analysis	Risk Evaluation	Risk Treatment
- Objectives - Stakeholders - Assessment Criteria - Key Elements	- What could happen? - How can it happen? - Causal factors	- Likelihood - Consequences - Risk Rating - Controls - Control effectiveness	- Evaluate risks - Risk ranking - Risk appetite	- Identify treatment options - Action Plans - Implementation

MONITOR & REVIEW

11.2   Communication and Consultation

- Contact/Involvement – has everyone who needs to know been contacted, involved, informed and kept up to date?

- Information Flow/Dialogue with Stakeholders – there should always be dialogue with stakeholders with a focus on consultation.

- Feedback – success will be achieved if feedback is given by all involved in the process. The Communication Plan is outlined in detail in Section 10 of this Framework.

Flinders Council Risk Management Framework

11.3   Risk Management Context

When identifying, assessing and managing risks the following external factors need to be considered:

- Community impact;
- Impact on relationships;
- Environmental implications;
- Political implications (State / Federal);
- Health, Safety and Well Being;
- Economic Impact;
- Media;
- Legal and Regulatory obligations; and
- External stakeholders / key third party service providers.

The following internal factors need to be considered:

- Flinders Council's Strategic Plan;
- Capital and Operational Budgets;
- Annual Plan;
- Departmental Plans;
- Council / Elected Members;
- Occupational Health and Safety ;
- Key Performance Indicators - organisation and individuals;
- Business Continuity and Emergency Management Planning;
- Governance; and
- Business efficiency and productivity.

11.4   Risk Identification

The aim of risk identification is to develop a comprehensive list of the events that may create, enhance, prevent, degrade, accelerate or delay the achievement of objectives (remember risk is defined as being "the effect of uncertainty on objectives"). This includes identifying the risks associated with not pursuing an opportunity.

Risks are identified at all levels and facilitated by the Safety and Risk Management Officer and the General Manager as appropriate.

In identifying risks, risk sources relevant to Flinders Council need to be considered. These risk sources are outlined in Section 5 of this Framework.

Risk Assessment

Risk assessment evaluates the likelihood and consequence of the risks identified with relevant personnel. Risk rating details are captured and documented in the Risk Register located in the O Drive. The Safety and Risk Management Officer coordinates the Register as part of the business planning process. Information is collated by the Safety and Risk Management Officer to formulate reporting and actions to mitigate.

Strategic Projects / Tender Management

The General Manager is responsible for identifying and assessing any risks emerging as a result of tenders. These risks are to be included on the project plan which is reviewed and maintained through the life of the project / change /improvement process. Any risks which eventuate as a result of the project / change /improvement process, and are of an ongoing nature, should be recorded in the Risk Register.

Customer Requests Process/Review of Audit findings / Loss data

Systemic issues / risks can be identified upon review of this data. These risks are to be included in the Risk Register accordingly.

Strategic and Annual Planning Process

The organisation reviews its risks in the Risk Register as part of the documented Business Planning process.

Accident /Incident Reporting

Accidents, incidents and hazards are to be reported using Flinders Council's reporting process. This information and subsequent analysis may result in the identification of systemic / operational risks. These will be communicated back to relevant stakeholders to be appropriately managed in line with the risk management process.

11.5   Risk Analysis

Risk analysis involves consideration of the sources of risk, their positive and negative consequences and the likelihood that those consequences may occur. The risk assessment likelihood and consequence scales are provided in Appendix B and Appendix C. Appendix D details consequence scales for Project Risk Assessment. Each category of the consequence scale is based on the types of risks that may potentially impact Council's operations.

Existing controls and their effectiveness and efficiency should also be taken into account. For each identified risk ask "Is there anything currently in place that would effectively lessen the likelihood or impact of the risk?" If there are controls in place, then ask "Are the controls effective?", "Can the risk be shared/transferred?" The risk can then be revaluated.

A risk rating is determined by combining the likelihood and the consequence ratings using the risk matrix provided in Appendix E.

Risk analysis is about developing an understanding of the risk. It is this analysis which provides input into the decision on whether the risk needs to be controlled or controlled further and the most appropriate and cost-effective manner of treatment.

The method of analysing risks is undertaken in two parts:

- Risks are measured against established criteria for likelihood (see Appendix B) and consequence (see Appendix C and Appendix D for projects).

- The final risk score (overall risk rating) is calculated as the product of the likelihood and consequence scores and rated in accordance with the matrix in Appendix E.

Flinders Council Risk Management Framework

11.6 Risk Evaluation

Risk evaluation is done to assist in decision making – the legend below identifies the actions necessary for different risk ratings.

Legend

Extreme	High risk, urgent and immediate attention required.
	Risk Treatment Plan must be prepared.
	Cannot be accepted as part of routine operations.
	Senior Management responsibility must be specified.
High	Significant risk, attention required.
	Risk Treatment Plan must be prepared.
	Senior Management responsibility must be specified.
	Can be accepted as part of routine operations but Risk Treatment Plan must first be approved by the
	Senior Manager responsible.
Moderate	Moderate risk; management responsibility must be specified
	Risk Treatment Plan required.
Low	Low risk; manage by routine procedures
	Risk Treatment Plan not required.

The purpose of risk evaluation is to determine, based on the outcomes of risk analysis, which risks need treatment and the treatment priorities. The risk evaluation can also lead to a decision not to treat the risk in any way other than maintaining existing controls. Information from the risk assessment (analysis and evaluation) must be entered into the Risk Register.

11.7 Risk Treatment

Risk treatment involves identifying the range of options for treating risks, assessing these options and the preparation and implementation of treatment plans. By treating the risk the aim is to either:

- Eliminate the risk – repair damage/remove risk
- Avoid the risk - by deciding not to continue with the activity
- Take the risk - in order to pursue an opportunity
- Share the risk – to minimise likelihood and consequences
- Isolate the risk – relocate the risk, tag out, lock out, install barriers
- Engineer out the risk – improve the process to remove the risk by mechanical means e.g. use a trolley to move heavy equipment and minimise manual handling

21

- Administrate the risk – procedural provisions e.g. rotate jobs, ensure adequate training and maintenance

- Using Personal Protective Equipment (PPE) – use hearing, eye, head, hand, face protection and train Workers in its correct use

- Retain the risk - by implementation of adequate control measures

In order to select the most appropriate treatment action it is necessary to discuss, understand and determine risk appetite and balance the cost of implementing each option against the benefits derived from it. It is also necessary for consideration to be given to all direct and indirect costs and benefits financial or otherwise.

Risk Treatment Plans are developed and a hyperlink is added to the risk in the Risk Register. This hyperlink automatically links the risk with the relevant Risk Treatment Plan.

11.8 Monitor and Review

Ongoing review of the Risk Management Framework and its effectiveness is essential to ensure that risks identified and registered in the Risk Register, are assessed and associated treatment options remain relevant. Factors that affect the likelihood and consequence may change, as may the factors that affect the suitability or cost of the treatment options.

The required actions as outlined in the Risk Evaluation section above outline the monitoring and review of actions which are undertaken as part of this Framework:

- The Risk Register is formally reviewed on an annual basis as part of the Business planning process; The Safety and Risk Management Officer (in consultation with the GM and others as appropriate) is required to review the risks and develop the associated Risk Treatment Plans. This contributes towards determining work priorities and ensuring appropriate resources are assigned to manage and control risks.

- The Risk Management Framework and Policy are reviewed every two (2) years by the Safety and Risk Management Officer and the General Manager. The outcomes and records of this review are maintained on file.

12.0   RISK MANAGEMENT PLAN

12.1   Risk Management Plan Components

The diagram below depicts an overview of the desired flow of business process and strategies at Flinders Council in supporting the management of risk in alignment with this Framework.

½ Yearly Organisation Wide Risk Review

½ Yearly Departmental Risk Review
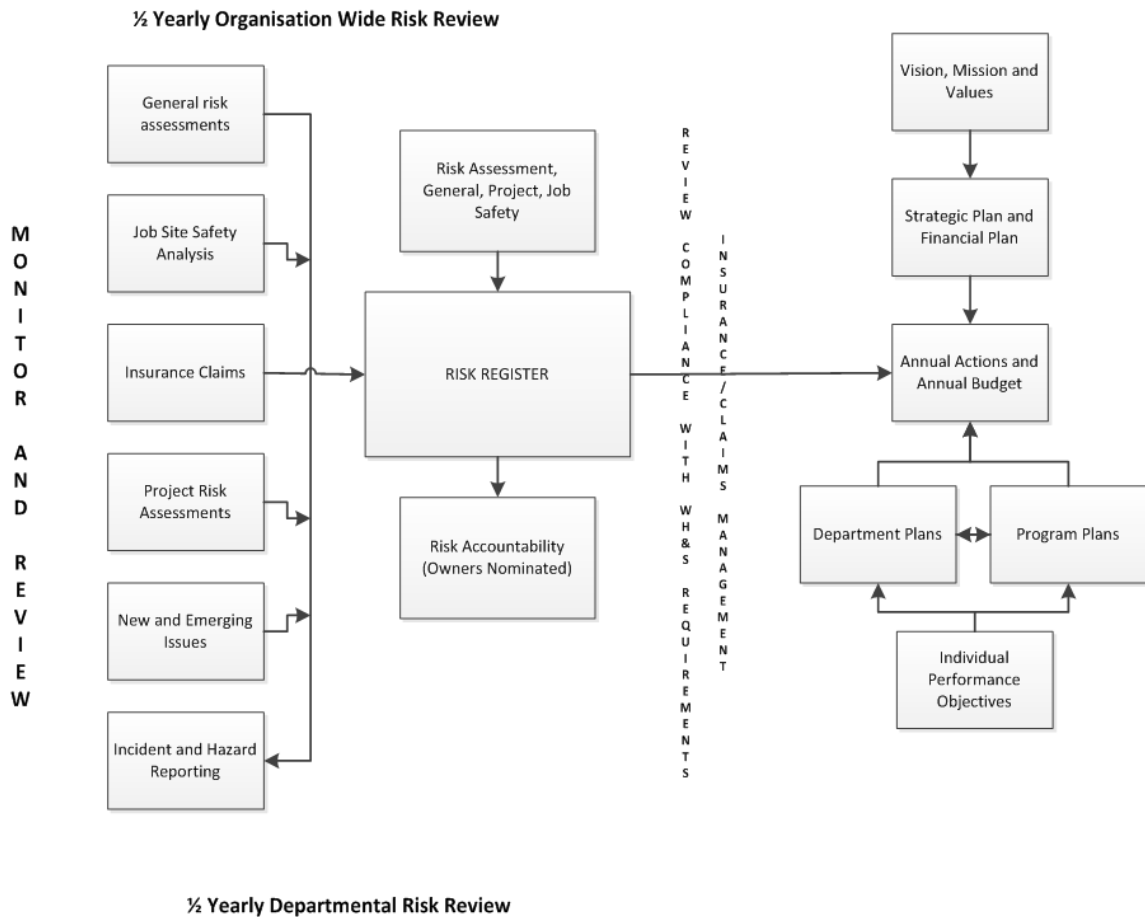
13.0   RELATED DOCUMENTS

- Flinders Council Risk Management Policy
- Flinders Council Risk Register (Appendix A – Example)
- Risk Likelihood Criteria (Appendix B)
- Consequences Scale (Appendix C)
- Project Risk Consequence Criteria (Appendix D)
- Overall Risk Rating (Appendix E)
- AS/NZS ISO 31000 Risk Management
- Work Health and Safety Act 2012
- Work Health and Safety (Transitional and Consequential Provisions) Act 2012
- Work Health and Safety Regulations 2012
- Work Health and Safety (Transitional) Regulations 2012
- Flinders Council OH&S Policy
- Quarterly Reporting Template

Forms

- Flinders Council Risk Assessment Tool
- Flinders Council Accident /Incident Report Form
- Flinders Council General Risk Assessment Form
- Flinders Council Risk Treatment Plan Form
- Flinders Council Complaint – Request for Service Form
- Flinders Council Job Safety Analysis – SWMS Form

Procedures

- Flinders Council Accident & Incident Reporting   (General 03)
- Flinders Council General Risk Assessment Job Safety Analysis – SWMS   (General 04)
- Flinders Council Safety Inspection & Hazard Control   (General 06)
- Flinders Council Complaints – Request for Service Procedure   (General 013)
- Flinders Council Contractor Management & Supervision   (General 015)

Flinders Council Risk Management Framework

APPENDIX A -   Risk Register (Example)

Flinders Council Risk Management Framework

APPENDIX B -   Risk Likelihood Criteria

Likelihood Scales:

Rating	Recurrent Risks	Single Events
Almost Certain	Could occur several times per year	More likely than not 90-99%
Likely	May arise about once per year	As likely as not 70-89%
Possible	May arise once in 5 years	Less likely than not but still possible 30-69%
Unlikely	May arise once in 10 years	Unlikely but not impossible 10-29%
Rare	Unlikely to occur during the next 10 or more years	Negligible 1-9%

APPENDIX C – Consequence Scales

Consequence Rating		Business Continuity & Business Systems (BC)	Environmental (EN)	Financial and Economic (FE)	Health and Safety (HS)
Catastrophic	5	The continuing failure of Council to deliver essential services. The removal of key revenue generation.	Widespread and irreversible environmental impact attributed by the courts to be negligent or incompetent actions of Flinders Council.	Financial impact could not be managed within Council budget. Services seriously affected. Huge financial loss.	Death - Loss of life probable and serious injury inevitable.
Major	4	Widespread failure to deliver several major strategic objectives and service plans. Long-term failure of Council causing lengthy service interruption.	Environment seriously impacted but able to recover over an extended period 5 – 10 years. Requiring significant remedial action. Penalties and/or direction or compliance order incurred.	Requires significant reworking of Council's budget. Financial cutbacks will affect services. Major financial loss	Loss of life possible and serious injury probable. Isolated instances of serious injuries or loss of life.
Moderate	3	Failure to deliver minor strategic objectives and service plans. Temporary & recoverable failure of Council causing intermittent service interruption for a week.	Environment impacted but able to recover over a short period. Within 5 years. No long term or irreversible damage. May incur cautionary notice or infringement notice.	Minor reworking of Council budget required but manageable. No service interruption. High financial loss.	Loss of life unlikely but serious injury possible. Medical treatment required.
Minor	2	Temporary and recoverable failure of Council causing intermittent service interruption for some days.	Minimal environmental impact, able to manage with some intervention. Minor environmental damage such as remote temporary pollution.	Financial impact manageable. Medium financial loss.	Serious injury unlikely but minor injury probable. First Aid treatment. Serious near miss.
Insignificant	1	Negligible impact of Council, brief service interruption for several hours to a day.	Minimal environmental impact, able to be monitored and managed by routine procedures. Brief, non-hazardous, transient pollution or damage.	Financial impact easily manageable within Council's budget. Low financial loss.	No injuries - Minor injury possible. Appearance of threat but no actual harm.

Flinders Council Risk Management Framework

Consequence Rating		Staff (ST)	Reputation (RE)	Infrastructure & Assets (IA)	Political (PO)	Legal Compliance & Liability (LL)
Catastrophic	5	Staff issues cause continuing failure to deliver essential services.	Loss of State Government support with scathing criticism and removal of the Council. National media exposure.	Widespread, long term loss of substantial key assets, infrastructure and/or IT network/hardware.	Loss of power and influence restricting decision making and capabilities. Dismissal of Council by State Government.	Regulatory or contract breaches causing very serious litigation, including major class action. An event occurring outside Flinders Council's insurance cover. Significant prosecution / fines for Flinders Council & individuals.
Major	4	Staff issues cause widespread failure to deliver several major strategic objectives and long term failure of day to day service delivery.	State media and public concern / exposure with adverse attention and long-term loss of support from Flinders Island residents.	Widespread, short to medium term loss of key assets, infrastructure and/or IT network/hardware.	Adverse impact and intervention by State Government.	Major regulatory or contract breaches and litigation. Liability implications and fines for Managers.
Moderate	3	Staff issues cause failure to deliver minor strategic objectives and temporary and recoverable failure of day to day service delivery.	Significant state wide concern / exposure and short to midterm loss of support from Flinders Island residents.	Short to medium term loss of key assets, infrastructure and/or IT network/hardware.	Adverse impact and intervention by the Department of Premier and Cabinet.	Regulatory or contract breaches causing investigation / report to authority and prosecution and moderate fines.
Minor	2	Staff issues cause several days interruption of day to day service delivery.	Minor local community concern manageable through good public relations.	Minor loss/damage. Repairs required.	Adverse impact by another local government.	Minor regulatory or contract breaches causing likely prosecution and minor fines.
Insignificant	1	Staff issues cause negligible impact of day to day service delivery.	Transient matter, e.g. customer complaint, resolved in day-to-day management.	Damage where repairs are required however facility/ infrastructure/network /hardware is still operational.	Negligible impact from another local government.	Negligible regulatory breaches that are detected early and rectified. Insignificant legal issues & non-compliance.

APPENDIX D – Project Risk Consequence Criteria

Consequence Rating		Financial	Project Timeframe (extension measured in days)	Project Objectives
Severe	5	Risk event results in increased funding required to meet project objectives by more than 35% of original project budget	Risk event results in project timeframe extended by more than 50%% of original project duration	Risk event results in failure of the project to meet all required objectives.
Major	4	Risk event results in increased funding required to meet project objectives by 20-35%% of original project budget	Risk event results in project timeframe extended by 35-50% of original project duration	Risk event impacts a significant portion of key project objectives requiring major changes to project scope and work to achieve required outcomes
Moderate	3	Risk event results in increased funding required to meet project objectives by 10-20% of original project budget	Risk event results in project timeframe extended by 20-35% of original project duration	Risk event impacts numerous key project objectives. Considerable effort including some change to the scope of the project is required to achieve required outcomes
Minor	2	Risk event results in increased funding required to meet project objectives by 5-10% of original project budget	Risk event results in project timeframe extended by 10-20% of original project duration	Risk event impacts isolated key project objectives. Additional minor effort is required to ensure that all objectives are met
Insignificant	1	Risk event results in increased funding required to meet project objectives by up to 5% of original project budget	Risk event results in project timeframe extended by up to 10% of original project duration	Risk event does not have any major impact on the achievement of key project objectives

Flinders Council Risk Management Framework

APPENDIX E - Overall Risk Ratings

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Medium	Medium	High	Extreme	Extreme
Likely	Low	Medium	High	High	Extreme
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	Medium
Rare	Low	Low	Low	Low	Medium

Flinders Council Risk Management Framework