



Risk Management Policy

(Policy No 3.10)

LAST REVIEW
(Jan 2014)

NEXT REVIEW
(Jan 2018)

MINUTE REF
GF3/1-14

POLICY STATEMENT:

- 1.1 Council recognises that risk management is an integral part of good management practice and is committed to establishing an organisational culture that ensures risk management is embedded in Council activities and business processes.
- 1.2 Council will evaluate potential benefits alongside potential risks as a routine part of its business planning processes. Where the balance of advantage favours a particular activity or initiative, the identified risks will be planned for and managed, taking account of broader Council objectives and priorities.
- 1.3 Risks will be managed at the operational level in accordance with this policy and within risk management processes established by Council.

OBJECTIVE:

- 2.1 The objectives of this policy are to ensure:
 - Council and senior management are in a position to make informed business decisions based on risk assessment;
 - risks are able to be identified, prioritised and managed in a coordinated manner;
 - strategic planning processes are improved as a result of a structured consideration of risk;
 - sound business opportunities that benefit Council are identified, without exposing Council to unacceptable levels of risk;
 - compliance with relevant legislation;
 - Council resources are safeguarded (eg. people, finance, property, information and reputation);
 - the community is protected against losses, both physical and financial, that are controllable by Council, and
 - continual improvement of Council.
- 2.2 This policy will be supported by a complementary Risk Management Strategy.

SCOPE AND RESPONSIBILITIES:

- 3.1 This policy applies to all Councillors, employees, contractors, and representatives.
- 3.2 Council will oversee risk management within Council, on the advice of the General Manager.
- 3.3 The Audit Panel will review the risk management framework as per its Charter, and provide advice to Council on any issues.
- 3.4 The General Manager will be responsible for the implementation of risk management within Council, and for responding to and reporting on significant risks that may emerge from time to time.
- 3.5 Departmental Managers will be responsible for implementing risk management within their portfolio areas, and will report regularly to the General Manager on any significant risks or risk areas.
- 3.6 All staff will be responsible for the management of risk relevant to their areas of responsibility. This role may range from identifying and reporting risks associated with their own positions to participation in the risk management process.

<p>PROCEDURE: (POLICY DETAIL)</p>	<p>4.1 Risks will normally be identified, evaluated and managed by responsible officers and reported in accordance with Council's decision-making processes. Council's strategic risks will be maintained in a strategic risk register and will be the subject of regular reports to Council through both the Audit Panel and the Governance and Finance Committee.</p> <p>4.2 Risk identification, evaluation and management in respect of particular operational and financial activities will be undertaken in accordance with Council's Risk Management Strategy.</p> <p>4.3 Risks will be assessed with reference to Council's strategic priorities, taking into account the likelihood of the risk occurring, the potential impact and the range of implications it may have for Council.</p> <p>4.4 Where an unacceptable risk is identified, relevant Council staff with management responsibilities in areas that may be affected will be informed of it. Managers will be required to take action, as required, to address the matter and inform staff or other persons within their area of responsibility, about the matter.</p> <p>4.5 The Council shall ensure that there is ongoing review of its risk management system to ensure the continued sustainability and effectiveness of its Risk Management Policy.</p> <p>4.6 Risk management strategies will be included in Annual Plans.</p>
<p>GUIDELINES:</p>	<p>5.1 The Risk Management Strategy will be implemented based on the following principles:</p> <ul style="list-style-type: none"> • creating and protecting Council's value, • as an integral part of Council processes, • as an integral part of decision making, • explicitly addressing uncertainty, • is systematic, structured and timely, • is based on the best available information, • is tailored, • takes human and cultural factors into account, • is transparent and inclusive, and • is dynamic, iterative and responsive to change. <p>5.2 Types of risks that need to be managed include:</p> <ul style="list-style-type: none"> • strategic, • financial, • operational, and • hazard. <p>5.3 Council will include in its strategic risk register, a risk profile which examines the nature, likelihood and consequences of adverse events occurring, prioritising identified risks and determining the level of risk that it is prepared to tolerate.</p> <p>5.4 The strategic risk register will be updated on a regular basis.</p>
<p>COMMUNICATION:</p>	<p>6.1 All Councillors and employees will be briefed on this policy as part of individual induction programs and on an on-going basis. Council will educate staff on good risk management practices.</p>

LEGISLATION:	<p>7.1 The following legislation should be considered in conjunction with this policy:</p> <p><i>Local Government Act 1993 (Tasmania)</i></p> <p><i>Work Health and Safety Act 2012 (Tasmania)</i></p> <p><i>ISO31000:2009 Risk Management Principles and Guidelines</i></p> <p><i>AS/NZS 4360:1999 Risk Management</i></p>
DEFINITIONS:	<p>8.1 Risk is the chance of something happening that will have an adverse impact on the achievement of Council is meeting its desired objectives. Risk is measured in terms of the likelihood of something happening and the severity/impact of the consequences arising from an event.</p> <p>8.2 Risk management is the culture, processes and structures that are directed towards realizing potential opportunities whilst managing adverse effects.</p> <p>8.3 Risk management process is the systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.</p>
RELATED DOCUMENTS:	<p>Kingborough Council Strategic Plan 2010 – 2020</p> <p>Long Term Asset Management Plan</p> <p>Individual Asset Management Plans</p>
AUDIENCE:	<p>The Risk Management policy applies to all Councillors, employees, contractors, and representatives. The policy is publicly accessible via Council's website.</p>

KINGBOROUGH COUNCIL

RISK MANAGEMENT STRATEGY

November 2013

This should be read in conjunction with the Kingborough Council Risk Management
Policy and the Strategic Risk Register

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FORWARD

Council's Risk Management Strategy aims to improve the effectiveness of risk management across all functional activities of Council.

Effective risk management allows Council to:

- have increased confidence in achieving our priorities and outcomes;
- constrain threats to acceptable levels;
- make informed decisions about exploiting opportunities;
- more effectively manage capital investment and operational planning;
- refine and enhance Council's Asset Management capacity;
- ensure that we get the right balance between rewards and risks; and
- improve partnership working arrangements and corporate governance.

Ultimately, effective risk management will help to ensure Council maximises its opportunities and minimises the impact of the risks it face, thereby improving Council's ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against Council and any damage to its reputation.

This Strategy explains Kingborough Council's approach to risk management, and the framework that will operate to ensure that risks are effectively managed.

Tony Ferrier
ACTING GENERAL MANAGER

1. Introduction

Managers within Council recognise that the management of risk is a daily task. However, we require an overall strategy to ensure that a risk management framework and culture is embedded throughout Council.

Risk management is a critical element of Council's operations. Council has limited human, financial and material resources. Prudent decision making in relation to their use is critical in assisting Council to achieve its vision of developing Kingborough as a **“thriving, vibrant and connected community; healthy by nature and naturally beautiful”**.

To this end, not only must Council staff identify and minimise threats to the safe and effective use of Council resources, they also have an obligation to identify and to make the most of opportunities ensuring the most efficient delivery of services to the community.

In order to develop a strong internal risk management culture, it is vital to align the risk management process with the organisation's culture, processes, structure and strategy.

It is essential that the organisation understands its internal context which can include, but is not limited to:

- governance, organisational structure, roles and accountabilities,
- policies, objectives, and the strategies that are in place to achieve them,
- capabilities, understood in terms of resources and knowledge (eg capital, time, people, processes, systems and technologies),
- the relationships with and perceptions and values of internal stakeholders,
- the organisation's culture,
- information systems, information flows and decisions making processes (both formal and informal),
- standards, guidelines and models adopted by the organisation, and
- form and extent of contractual relationships.¹

2. Statement of Commitment

The major risk for most organisations is that they fail to achieve their strategic, business or project objectives, or are perceived to have failed their stakeholders. Council is committed to managing its risk by identifying, analysing, evaluating, treating, monitoring and communicating all risks that may directly or indirectly impact on its ability to achieve its the vision and strategic objectives.

This strategy demonstrates Council's commitment, by detailing the risk management framework for all staff, contractors, committees and volunteers engaged in the delivery of Council services and programs and defining the responsibilities for contemporary risk management processes.

Organisations aiming at being an effective manager of risk should comply with the following principles.

- a) Risk management creates and protects value – by contributing to the demonstrable achievement of objectives and improvement of performance in, for example, human health and safety, security, legal and regulatory compliance, public acceptance, environmental protection, product/service quality, project management, effectiveness in operations, governance and reputation.

¹ ISO 3100:2009, Sec 5.3.3, pp 15-16.

- b) Risk management is an integral part of all organisational processes – not a stand-alone activity that is separate from the main activities and processes of the organisation. Risk management is part of the responsibilities of management and integral to all organisational processes, including strategic planning and all project and change management processes.
- c) Risk management is part of decision making – by helping decision makers make informed choices, prioritise actions and distinguish between alternate courses of action.
- d) Risk management explicitly address uncertainty, the nature of that uncertainty and how it can be addressed.
- e) Risk management is systematic, structured and timely – which contributes to efficiency and consistent, comparable and reliable results.
- f) Risk management is based on the best available information – however, decision makers should inform themselves of, and should take into account, any limitations of the data or modelling used or the possibility of divergence among experts.
- g) Risk management is tailored – and aligned with the organisation's external and internal control and risk factors.
- h) Risk management takes human and cultural factors into account – by recognising the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of the organisation's objectives.
- i) Risk management is transparent and inclusive – through appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of the organisation, so that risk management remains relevant and up-to-date. Involvement also allows stakeholder to be properly represented and to have their views taken into account in determining risk criteria.
- j) Risk management is dynamic, iterative and responsive to change – by continually sensing and responding to change. As external and internal events occur, context and knowledge change, monitoring and review of risks take place, new risks emerge, some change and some disappear.
- k) Risk management facilitates continual improvement of the organisation – from development and implementation of strategies to improve their risk management maturity alongside all other aspects of the organisation.²

The success of risk management depends on the effectiveness of the management framework providing the foundations and arrangements that will embed it throughout the organisation at all levels. The framework ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organisation levels.³

The dependency of the management framework components in managing risk is shown in the following figure.

² ISO 3100:2009, Sec 3, pp 7-8.

³ ISO 3100: 2009, Sec 4.1, p 8.

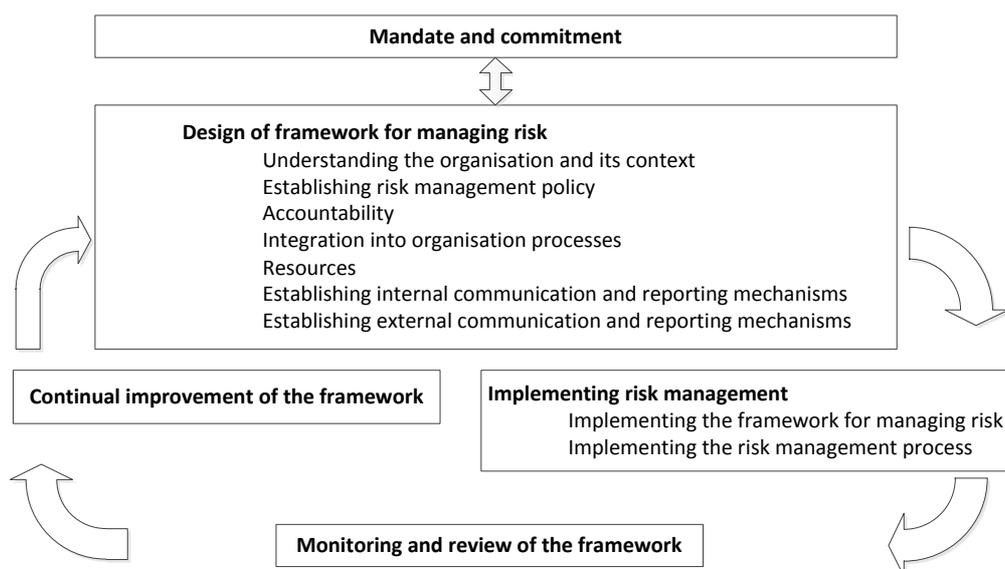


Fig 1.3: Relationship between the components of framework for managing risk

Source: Based on ISO 31000; 2009, Fig 2, p 9

3. Scope and Key Stakeholders

This Risk Management Strategy will be implemented across all Council services, functions and activities, whether directly controlled by Council or delivered through third party arrangements. All employees, contractors, partner organisations and volunteers engaged in the conduct of Council business are to apply consistent, proactive and systematic risk management practices in the delivery of Council services and use of resources. Successful risk management relies on input and commitment from all stakeholders.

The risk management process outlined within this Strategy applies primarily to the strategic and business risk management areas of Council.

4. Objectives and Outcomes

The objectives of this Strategy are to:

- fully integrate risk management into the culture of Council and into Council's strategic planning, performance management processes, templates and procedures;
- ensure that the framework for identifying, evaluating, controlling, reviewing, reporting and communicating risks across Council is implemented and understood by all staff;
- communicate to stakeholders Council's approach and commitment to risk management;
- improve co-ordination of risk management activity across all Council activities;
- ensure that the Council through its Executive Management Team and external regulators are provided with the necessary assurance that Council is committed to mitigating its risks and complies with contemporary corporate governance practices; and
- ensure consistency throughout Council in the identification and management of risk.

The principle outcomes of the Strategy are:

- achievement of Council's strategic and operational objectives through the identification, evaluation and prioritising of Council's risks with a view to reducing, mitigating, transferring or eliminating them;
- more effective allocation and use of resources;
- protecting Council's corporate image as a professional, responsible and ethical organisation and as an employer of choice;

- minimising Council's exposure to loss and litigation;
- protecting and enhancing Council's reputation;
- protecting Council's financial and physical assets; and
- maintaining a commitment to employee Work Health & Safety programs.

5. Responsibilities

All employees, contractors and volunteers are to be familiar with and competent in the application of Council's risk management policy and strategy. Managers and supervisors are accountable for adherence to this Strategy within their areas of responsibility.

Council

- Endorse the risk framework that has been established.
- Review the strategic risks and establish the risk appetite that forms the basis for how risks are rated and managed.

Audit Panel

- Review the risk management framework and risk matrix to ensure that it is current, comprehensive and meets relevant standards.
- Review whether the risk management framework is being adhered to, and that associated procedures exist for the effective identification, assessment, management and reporting of Council's significant risk areas including, but not limited to, financial, legislative, compliance, fraud, business and environmental risks.
- Monitor the organisational performance in managing the risks identified in the strategic and operational risk register.
- Review the impact of the Council's risk management framework on its control environment and insurance arrangements, including workers compensation.
- Review whether a sound and effective approach has been followed in establishing the Council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.
- Review the Council's fraud control plan and satisfy itself that the Council has appropriate policies, processes and systems in place to deter, capture and effectively investigate fraud related information.
- Determine if Council has appropriately considered legal and compliance risks as part of its risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated Government policy.

General Manager

- Maintain overall responsibility and leadership for the effective management of all types of risks across Council operations.
- Define responsibility and authority for officers with involvement in risk management.
- Recognise, actively encourage and adopt Risk Management as a key function of the Council.

Managers / Supervisors

- Ensure risks are managed in accordance with the relevant risk register and to relevant standards.
- Prepare and implement risk management procedures for each area of operations.
- Employ risk management principles and practises to ensure that loss control and prevention is a priority.
- Monitor and report on practices and processes to ensure appropriateness to current conditions and standards.
- Actively participate in training provided.
- Implement risk management audit recommendations.

Employees, Contractors, Volunteers and Representatives

- Familiarisation with Council's Risk Management Policy and Strategy.
- Actively participate in training provided in relation to risk management.
- Use risk management principles and practices while undertaking daily tasks.
- Take notice of and implement recommendations from risk management audits conducted in the workplace.

Chief Financial Officer

- Develop, review and maintain Council's risk management policies, systems, and procedures.
- Recommend new processes to manage risk.
- Review and monitor Council risk management performance measures.
- Monitor recommendations and outcomes from risk management audits.
- Provide a central liaison point for staff and management in relation to risk management.

6. Risk management Process

The risk management procedure to be applied within Council will be based on relevant Australian Standards, particularly AS/NZS ISO 31000:2009, Risk management - Principles and guidelines. .

Council's risk management process consists of seven steps:

- 1) knowing the strategic and operational priorities;
- 2) defining risks;
- 3) scoring risks;
- 4) treating risks;
- 5) compiling a risk database and register;
- 6) monitoring and reporting risks; and
- 7) reviewing risks.

6.1 Knowing the strategic and operational priorities

The starting point for risk management is a clear understanding of what Council is trying to achieve. Risk management is about managing the threats that may hinder delivery of our priorities and maximising the opportunities that will help to deliver them. Effective risk management must therefore be clearly aligned to the business planning processes, and will take into account the environment within which Council operates.

6.2 Defining Risks

There are many ways of identifying risks depending upon the type of risk being considered. These include:

- interviews or facilitated workshops with all stakeholders;
- reviewing published information;
- checklists for similar events/activities/projects;
- an examination of previous events/activities/projects; and
- taking advantage of past experiences in undertaking an event/activity/project.

Types of risks include:

- product and service delivery;
- people;
- financial and economic;

- technology and information management;
- leadership and corporate governance;
- assets and security;
- ethics and corporate image; and
- environment.

The risk management process is based on the fundamentals of International Standard ISO 31000:2009. It is an analysis and problem solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

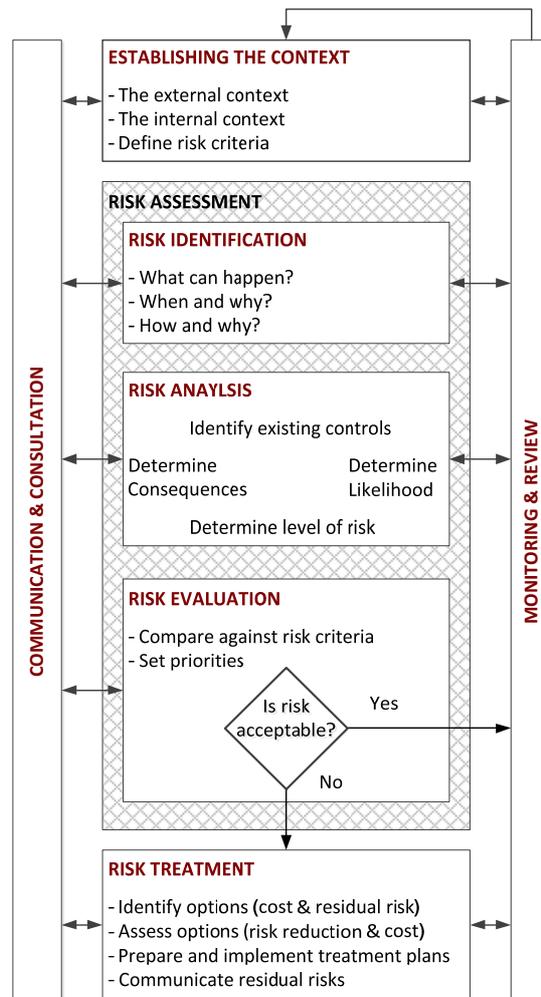


Fig 1.5: Risk Management Process – Detail

Source: Based on ISO 31000; 2009, Fig 3, p 14

In order to effectively manage identified risks, they must first be rated.

6.3 Rating Risks

In order to decide on the best treatment option and to prioritise the treatment of identified risks, the risk must first be rated. Risks are rated by identifying the likelihood of the event occurring and the impact or consequences of the event if it did occur.

When rating a risk the impact on the following needs to be considered:

- achievement of strategic priorities;
- reputation;

- work, health and safety of employees, residents, service users, contractors, volunteers, etc;
- ability to deliver services (eg - in particular key services); and
- financial (eg - budgets, claims, fines, penalties etc.).

Council uses a five-by-five matrix to determine its risk rating as follows:

LIKELIHOOD (probability)	CONSEQUENCES				
How likely is the event to occur at some time in the future?	What is the severity of the injuries/potential damages/financial impacts (if the risk event actually occurs)?				
	Insignificant No injuries No Env damage <\$1,000	Minor Some injuries Low Env damage <\$10,000	Moderate External medical Medium Env damage <\$100,000	Major Extensive injuries High env damage <\$1,000,000	Catastrophic Death or major injuries Toxic Env damage >\$1,000,000
Almost Certain (expected in most circumstances - 100%)	MODERATE RISK	HIGH RISK	HIGH RISK	CRITICAL RISK	CRITICAL RISK
Likely (probably in most circumstances - 10%)	MODERATE RISK	MODERATE RISK	HIGH RISK	HIGH RISK	CRITICAL RISK
Possible (might occur at some time - 1%)	LOW RISK	MODERATE RISK	HIGH RISK	HIGH RISK	CRITICAL RISK
Unlikely (could occur at some time - 0.1%)	LOW RISK	MODERATE RISK	MODERATE RISK	HIGH RISK	HIGH RISK
Rare (exceptional circumstances only - 0.01%)	LOW RISK	LOW RISK	MODERATE RISK	MODERATE RISK	HIGH RISK

6.4 Treating Risks

There are four general approaches to treating risk:

- (i) avoid,
- (ii) reduce,
- (iii) transfer, or
- (iv) accept.

- Avoiding the risk – not undertaking the activity that is likely to trigger the risk.
- Reducing the risk – controlling the likelihood of the risk occurring, or controlling the impact of the consequences if the risk does occur.
- Transferring the risk – handing the risk on elsewhere, either totally or in part (eg - through insurance).
- Accepting the risk – acknowledging that the ability to take effective action against some risks may be limited or that the cost of taking action may be disproportionate to the potential benefits gained.

Assessment of each treatment option is used to provide the basis for selecting the best option to manage each risk identified.

Risk treatment is concerned with actions taken to reduce the impact or likelihood of risks not wholly avoided or transferred (retained risks).

6.5 Strategic Risk Register

A risk register lists potential risks identified, how serious the problem is, how it can be fixed, who is responsible for what and by when. The aim of the register is to proactively raise the profile of what risks exist within Council.

The Strategic Risk Register is provided in Appendix A. This document provides a high level snapshot of Council's risks by listing the risks identified in Section 7 and applying the likelihood and consequence rating for each risk. An overall risk rating is then arrived at.

Note that all of Council's strategic risks are rated as either moderate or high, with no risks rated as low or critical. Council has strategies in place for all risks and these are included in the comments column of the Register.

6.6 Monitoring and Reporting Risks

The Executive Management Team is responsible for ensuring that key risks on the Strategic Risk Register are managed and that progress made with risk mitigation measures is monitored.

Department Managers are responsible for ensuring that key risks in the Strategic Risk Register relating to their area of responsibility are managed and that the 'high risks' feature as a standing item on the management team meeting agendas.

Service specific business risks must be included within the respective service plans and be monitored through the performance and risk management arrangements of the Department to which it relates.

6.7 Reviewing Risks

All risks should be reviewed and reported at least annually in conjunction with the annual planning processes.

Everyone in Council is involved in risk management and should be aware of their responsibilities in identifying and managing risk. However, the ultimate responsibility for managing risk lies with the General Manager.

Risk management audits are conducted periodically as required by external bodies, or can be initiated by the General Manager or by a recommendation to Council by the Audit Panel.

Risk management performance measures are set by Council through recommendations by the Audit Panel and are to be reviewed on a regular basis.

6.8 Fraud Control

Council is developing a Fraud Control Policy and has recently undertaken a self-assessment of fraud control risks. Council considers that the development of an anti-fraud culture and strong internal controls will provide an appropriate mitigation against the risk of fraud.

7. Top Strategic Risks to Council

The top organisational or strategic risks are:

- 1) Failure to adhere to existing endorsed Council policies, procedures and legislative requirements.
- 2) That Council will not be able to resource the fulfilment of its statutory roles and obligations (planning, building, health, compliance) due to skills shortages, staff retention and financial commitment.
- 3) Failure to provide community services in a timely manner due to inadequate knowledge, skills or resources.
- 4) Failure to identify community needs and desires through inadequate public engagement and consultation.
- 5) Failure of Council to sustainably finance the long term service delivery needs accompanying municipal growth.
- 6) That Council will not be able to meet community expectations in the face of environmental changes, either in its organisational response or in the delivery of quality services to the community.
- 7) Failure to adequately maintain assets through sustained insufficient allocation of funds in budgets.
- 8) Failure to deliver expected infrastructure and services through poor and inconsistent management of large contracts.
- 9) Failure to provide continuity of essential services during emergency events.
- 10) Actions of Council or Councillors that lead to a failure to meet standards of governance and leadership the community may or should be able to expect.
- 11) That Council's structure will limit the ability to fulfil the requirements to act strategically – that they will be acting predominately on day to day operational matters.
- 12) Breach of confidentiality resulting in damage to Council's reputation and potential litigation.
- 13) That Council will suffer reputational damage (and also financial) as a result of being involved in a commercial or non-commercial venture.
- 14) Failure to provide community service in a timely manner due to changing government policy.
- 15) Failure of organisation to provide a safe work environment for staff.
- 16) Financial or reputational damage resulting from fraudulent or corrupt conduct

Appendix A - Strategic Risk Register

ID	Strategic Risk	Risk Type	Likelihood	Consequence	Risk Rating	Comment
1	Failure to adhere to existing endorsed Council policies, procedures and legislative requirements.	Leadership and Corporate Governance	Unlikely	Minor	Moderate	Policies and procedures are formally reviewed through Council every two years. Legislative changes are communicated through LGAT and implemented by management.
2	That Council will not be able to resource the fulfilment of its statutory roles and obligations (planning, building, health, compliance) due to skills shortages, staff retention and financial commitment.	People	Unlikely	Moderate	Moderate	Council places high importance on staff retention, development and training. Staff recruitment has traditionally been successful in filling genuine vacancies within a reasonable time.
3	Failure to provide community services in a timely manner due to inadequate knowledge, skills or resources.	People / Financial and Economic	Unlikely	Minor	Moderate	Council places high importance on staff retention, development and training. Resources are allocated through a rigorous budget process.
4	Failure to identify community needs and desires through inadequate public engagement and consultation.	Leadership and Corporate Governance	Possible	Minor	Moderate	Council coordinates a number of advisory committees and annual forums for the public to provide input, in addition to question time at Council meetings.
5	Failure of Council to sustainably finance the long term service delivery needs accompanying municipal growth.	Financial and Economic	Possible	Moderate	High	Council adopted a Long Term Financial Plan in 2012 and this will be reviewed annually.
6	That Council will not be able to meet community expectations in the face of environmental changes, either in its organisational response or in the delivery of quality services to the community.	Environment	Possible	Moderate	High	Implementation of climate change adaptation strategy is in progress.
7	Failure of organisation to adequately maintain assets through sustained insufficient allocation of funds in Council budgets	Assets and Security / Financial and Economic	Unlikely	Major	High	Council adopted a Long Term Asset Management Plan in 2012 and this will be reviewed annually. In addition, Council prepares a five year capital works program on an annual basis.
8	Failure of Council to deliver expected infrastructure and services through poor and inconsistent management of large contracts.	Leadership and Corporate Governance / Financial and Economic	Unlikely	Major	High	Council has a Code for Tenders and Contracts which is reviewed every two years. Regular reviews of large contracts are planned to be undertaken.

9	Failure to provide continuity of essential services during emergency events	Product and service delivery / Technology and Information management	Unlikely	Major	High	Emergency management plan is being progressed.
10	Actions of Council or Councillors that lead to a failure to meet standards of governance and leadership the community may expect.	Leadership and Corporate Governance	Possible	Minor	Moderate	Council's governance has been strengthened recently by the appointment of an Audit Panel which includes three independent members and two councillors.
11	That Council's structure will limit the ability of leaders to fulfil the requirements on them to act strategically - that they will be acting predominately on day to day operational matters.	Leadership and Corporate Governance	Unlikely	Minor	Moderate	Council has a reasonably flat organisational structure, with clear responsibilities outlined for its senior managers.
12	Breach of confidentiality resulting in damage to Council's reputation and potential litigation.	Ethics and Corporate Image	Unlikely	Major	High	Staff and councillors are made aware of their obligations through a comprehensive induction process and via their respective Codes of Conduct.
13	That Council will suffer reputational damage (and also financial) as a result of being involved in a commercial or non-commercial venture.	Ethics and Corporate Image / Financial and Economic	Possible	Moderate	High	Council must seek appropriate advice for any ventures that it seeks to be involved in. A recent example being the proposed development of the old Kingston High School site, which has involved comprehensive assistance from experienced consultants.
14	Failure to provide community service in a timely manner due to changing government policy.	Leadership and Corporate Governance	Possible	Minor	Moderate	Council attempts to anticipate changes in policy where possible to assist in future planning, and maintains strong links with LGAT and the State Government on a range of policy and legislative issues.
15	Failure of the organisation to provide a safe workplace for staff.	People	Unlikely	Major	High	Council recognises the importance and high risk nature of this item and has recently appointed a Work Health and Safety Advisor
16	Financial and/or reputational damage resulting from fraudulent or corrupt behaviour.	Ethics and Corporate Image / Financial and Economic	Rare	Major	Moderate	No instances of fraud have been recorded however Council is developing a Fraud policy and procedures to meet best practice..