1 - Introduction

The Flinders Ranges Council (Council) aims to improve its decision-making, performance, transparency and accountability by effectively managing both potential opportunities and adverse effects through the implementation of a structured and systematic approach to risk management.

The Council has developed its Enterprise Risk Management Framework (ERMF) based on the following key principles:

- Enterprise Risk Management (ERM) practices should be effectively integrated into our decision-making, planning and performance reporting activities;
- ERM is everyone's business, including Elected Members, and will be embedded into our organisational culture; and
- ERM activities will be informed by, and consistent with, the *AS/NZS ISO 31000 2018 Risk management - Principles and guidelines* (ISO).

2 - Purpose & Scope

This ERMF is designed to:

- assist managers and staff to integrate ERM into their business activities, particularly in relation to the key risks facing the organisation;
- ensure controls are operating effectively to reduce risks to an acceptable level;
- create and protect value in the organisation by managing risks, informing decisions, setting and achieving objectives and improving performance; and
- improve the resilience of the organisation.

This ERMF applies to:

- operational risk activity, projects and services;
- community event management;
- procurement and contractor management; and
- strategic objectives and planning.

This ERMF does not apply to:

- Work Health & Safety (WHS) hazard assessments which are instead guided by the existing FRC Hazard Management Procedure.

3 - Definitions

Risk Management, as defined by *AS/NZS ISO 31000:2018*, is the implementation of 'co-ordinated, activities to direct and control an organisation with regard to risk'.

Consequence refers to the outcome of an event affecting objectives.

Enterprise Risk Management Framework (ERMF) is a set of components that provide the basis and arrangements for the design, implementation, monitoring, reviewing and continually improving risk management within the organisation.

External stakeholders include the residents, ratepayers, State and Federal Governments and their agencies, politicians, community groups, not for profit organisations, contractors, volunteers etc.

High Risk Construction Work described in the *Work Health and Safety Regulations 2012 (SA)* (Regulations) refers to work that:

a) involves a risk of a person falling more than 3 metres; or
b) is carried out on a telecommunication tower; or
c) involves demolition of an element of a structure that is load-bearing or otherwise related to the physical integrity of the structure; or
d) involves, or is likely to involve, the disturbance of asbestos; or
e) involves structural alterations or repairs that require temporary support to prevent collapse; pr
f) is carried out in or near a confined space; or
g) is carried out in or near:
   (i) a shaft or trench with an excavated depth greater than 1.5 metres,; or
   (ii) a tunnel; or
h) involves the use of explosives; or
i) is carried out on or near pressurised gas distribution mains or piping; or
j) is carried out on or near chemical, fuel or refrigerant lines; or
k) is carried out on or near energised electrical installations or services; or
l) is carried out in an area that may have a contaminated or flammable atmosphere; or
m) involves tilt-up or precast concrete; or
n) is carried out on, in or adjacent to a road, railway, shipping lane or other traffic corridor that is in use by traffic other than pedestrians; or
o) is carried out in an area at a workplace in which there is any movement of powered mobile plant; or

p) is carried out in an area in which there are artificial extremes of temperature; or
q) is carried out in or near water or other liquid that involves a risk of drowning; or
r) involves diving work.

Internal stakeholders include Elected Members, the Executive Management team, Managers, staff and the Audit and Risk Prescribed General Committee.

Likelihood refers to the chance of something happening.

Residual Risk refers to the level of risk remaining after the implementation of risk treatment and controls.

Resilience for the purpose of this ERMF refers to the ability of the organisation to anticipate, absorb, accommodate or recover from the effects of a business continuity or emergency event occurring and any stress or shock associated in a timely and efficient manner.

Risk refers to the effect of uncertainty on objectives.

Risk Analysis refers to the systematic process used to understand the nature of, and to determine, the level of risk.

Risk Appetite refers to the level of risk the organisation is willing to pursue in order to deliver business objectives

Risk Assessment refers to the overall process of risk identification, risk analysis and risk evaluation.

Risk Controls are those processes, systems and tools implemented to minimise risk.

Risk Criteria refers to the organisations Risk Tolerance and Risk Appetite

Risk Identification refers to the process of finding, recognising and describing risks, i.e. the process used to determine what, where, when, why and how something could happen.

Risk Owner is the person given the accountability and authority to manage the risk.

Risk Profile is a written description of the set of risks which the organisation, or a department, is exposed to.

Risk Tolerance refers to the level of risk, either untreated or treated, which the organisation will tolerate.

Risk Treatment refers to the future process/undertaking to modify risk.

Risk Source refers to the element which alone or in combination has the potential to give risk to risk.

Stakeholder refers to a person or organisation that can affect, be affected by or perceive themselves to be affected by a decision.

4 - Policy Statement

As part of its commitment, the Council has adopted a systematic, structured, tailored and timely approach to risk management that:

- is integrated into the organisation's processes, activities and a key element of corporate governance;
- is structured and comprehensive and contributes to a consistent and comparable results;
- is customised and proportionate to the organisations external and internal context and related to its objectives;
- is inclusive and prioritises the appropriate and timely involvement of stakeholders and enables their views and perceptions to be considered;
- is dynamic and takes account of changes to: emerging risks, risk events, risk source, internal and external context, risk criteria and is responsive to such changes and events in an appropriate and timely manner;
- forms part of all of the organisation's decision-making processes which should be based on the best available information;

- aims to explicitly address uncertainty, create value and improve its performance and accountability taking into account human and cultural factors;
- ensures all employees are accountable for the effective management of risk within their area of responsibility;
- is continually improved through learning and experience; and
- is informed by and consistent with the ISO 31000/2018.

The Council will use a robust risk management approach, consistent with the ISO in relation to identifying, assessing, controlling, monitoring and managing its risks.

5 - The Waterline Principle:

Bill Gore articulated a helpful concept for decision-making and risk-taking, what he called the "**waterline**" principle. Think of being on a ship and imagine that any decision gone badly will blow a hole in the side of the ship. If you blow a hole above the waterline (where the ship won't take on water and possibly sink), you can patch the hole, learn from the experience, and sail on to your destination (deliver your objectives).

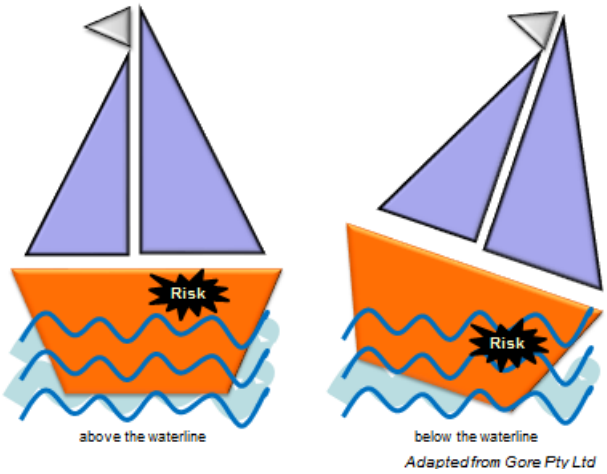
But if you blow a hole below the waterline, you can find yourself facing gushers of water pouring in, pulling you toward the ocean floor. And if it's a big enough hole, you might go down really fast. You will not arrive at your destination; you will not be able to deliver your strategic objectives.

Below the waterline risks are what we call strategic risks. They need immediate escalation to the CEO/Council.

Above the waterline risks are what we call operational risks. They can be managed at operational level.

The biggest risk of all is taking no risk at all: great organisations do take calculated risks to realise opportunity, but they avoid taking risks that could blow holes below the waterline.

The waterline principle helps us understand where Council's risk appetite sits



6 - Enterprise Risk Management and Risk Appetite

Enterprise Risk Management (ERM) includes the methods and processes used by the organisation to manage risk and maximise opportunities related to the achievement of Council's objectives.

ERM is intended to be embedded in the organisation's culture, enabling well informed decision making within Council's risk appetite.

Risk appetite can be explained as 'the type and amount of risk the organisation is prepared to accept or take in the pursuit of achieving its strategic objectives'. It also promotes consistent risk-based decision making and supports robust corporate governance by setting clear risk-taking boundaries.

Council considers the risk appetite in the context of its regulatory environment, strategic plans, financial sustainability, asset management, staff skills and experience, internal control framework, reports of internal and external auditors and the pursuit of efficiencies via continuous improvement, lean management and shared service arrangements.

Risk Appetite has two components to it:

Risk tolerance: how much risk can the organisation choose to accept?
Risk capacity: how much risk can the organisation afford to take?

Understanding risk appetite will help the organisation in the efficient allocation of resources across all identified risks and enable the pursuit of opportunities as boundaries can be defined around opportunity seeking actions.

Risk Management is not about:

- Designing out risk and creating more processes;
- Taking unnecessary or ill-conceived risks; and
- Preventing Council from taking calculated risks.

7 - Risk Tolerance

The Council tolerates any risk that has a revised risk rating of moderate or low and will elect to further action/mitigate these risks only if:

- the benefit exceeds the cost or resource allocation;
- there is a specific need;
- it is in the public interest.

8 - Risk Appetite

The Council will pursue strategic objectives in the following circumstances:

- High value and high-risk infrastructure projects are pursued following extensive community consultation and optimal integrational financing considerations i.e. attributing long-term infrastructure to long-term debt and/or via co-funded Grant arrangements;

- Strategic goals – Council has an appetite to pursue strategic drivers as approved by Council and consulted on in our strategic plans. The appetite to pursue strategic objectives is relevant to overall risk appetite for strong financial management, business continuity, safety etc;
- Strong financial management – Council appetite seeks to optimise financial sustainability through the preparation of long term financial plans, annual budget and business plan and a conservative approach to financing and investing. New loans are always subject to Council approval;
- Contractor/Supplier risk – Council is willing to accept the risk of working with contracted third parties and also pursue shared services for core business activities;
- Legal and regulatory risk – Council will obey the spirt and the letter of the laws and regulations which apply to us;
- Information Technology (IT) – Council appetite seeks to optimise IT capability and efficiency, including shared capability arrangements, cloud and virtual hosting and new technologies where their 'efficiency or security' payback can be demonstrated within a period not exceeding 5 years;
- Grants – Council appetite seeks to maximise opportunities for external grant funding including fully funded opportunities, co-funded not exceeding 50% or less than 50% grant contribution for activities and projects which are already approved for expenditure via a budget process; and
- Community Programs - Council has an appetite to assist community clubs to improve community outcomes, services and opportunities via its Community Grants program.

The Council will not pursue strategic objectives in the following circumstances:

- Business Continuity Risks – Council is not willing to accept risks which compromise our ability to operate critical services for sustained periods of time;
- Safety Risk – Council is not willing to accept unmitigated risk that could result in loss of life. FRC may undertake high risk activities such as construction where it is satisfied that robust risk assessment and risk control mitigation are in place, monitored and reviewed; and
- Reputational Risk – Council does not accept any sustained negative impact on reputation with groups of key stakeholders and will only tolerate minor negative media coverage, no impact on employees and no sustained political relationship impacts.

9 - Responsibilities

The **Senior Leadership Team,** comprising the CEO and Managers, is collectively responsible for:

- customising and implementing all components of the framework;
- issuing a policy that establishes a risk management approach, plan or course of action;
- ensuring that the necessary resources are allocated to managing risk;
- assigning authority, risk ownership, responsibility and accountability at appropriate levels within the organisation;
- ensuring an effective risk management program operates across the organisation ensuring all risks are identified, analysed, controlled and monitored;
- aligning risk management with Councils objectives, strategy and culture;
- establishing the amount and type of risk that may or may not be taken 'risk tolerance and risk appetite';
- ensuring employees understand the importance of managing risk and ensuring a pro-active risk culture across the organisation;

- establishing and promote systematic monitoring of risks;
- the provision of appropriate risk management training, to management and staff, and other relevant people; and
- the incorporation of risk management responsibilities within the Employee Performance Development Program for all staff.

The Flinders Ranges Council Audit Committee (Audit Committee) is responsible for:

- reviewing and endorsing the ERMF;
- reviewing and endorsing the Strategic Risk Register;
- reviewing the WHS, IM & ERM plan and progress against same; and
- reviewing risk outcomes associated with internal audit(s) including the LGRS risk review and annual Financial Internal Controls review.

The **Elected Council** is responsible for:

- adopting the ERMF;
- developing and reviewing and the Strategic Risk Register;
- considering risk when making decisions relating to strategic objectives; and
- making strategic and budget decisions with regard to Council risk appetite and tolerance levels and assisting the administration to address high or extreme residual risk through the allocation of resources.

The **Leadership Team** is collectively accountable for:

- ensuring risks are adequately considered when setting the organisations objectives;
- the identification and review of strategic risk;
  regular monitoring and reviewing of the ERMF;
- implementing and embedding the ERMF into the organisation's strategic planning and operational activities;
- ensuring that adequate resources are allocated to managing risk;
- the development and reporting on the organisation's risk profile and reviews to the Audit Committee;
- Coordination of the Strategic Risk Review; and
- building organisational resilience.

The **Work Health Safety Risk Officer** is responsible for:

- the ongoing management of risk management across the organisation
- development, review and implementation of the ERMF and Risk Management Plan across the organisation;
- the maintenance of a structured approach to risk assessment, risk management and risk reporting;
- the provision of information, risk training, new employee risk induction and facilitating risk reviews; and
- ensuring conformance with the risk framework across all functions and activities.

All Staff are responsible for:

- ensuring they undertake risk management in accordance with the ERMF and associated documents;
- working within approved internal controls frameworks, not limited to, approved policies, procedures;

- identifying and reporting new or escalating risk management issues which compromise the achievement of Council objectives; and
- participating in all risk management activities including operational/project risk assessment, risk reviews and risk management audits.

10 - Enterprise Risk Management Framework (Exemptions)

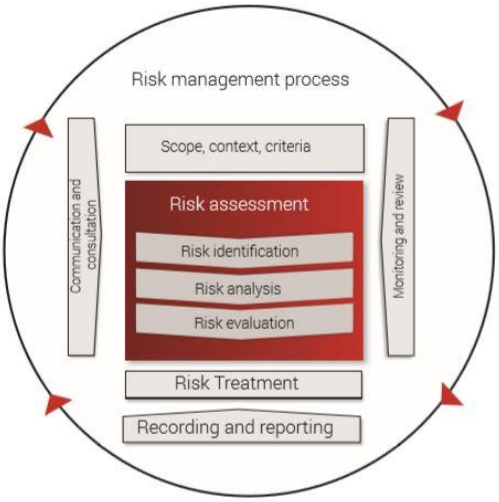
The ERMF details the construct which underpins risk management within the organisation. It provides the approach, tolerance levels and tools that inform and facilitate all risk management activities, no other framework or tools are to be used except in the following circumstances:

- when an activity involves any work considered to be High Risk Construction Work within the definition of the Regulations, the legislation will override any inconsistencies with the ERMF;
- when Council has entered into agreements with other councils or government agencies for the purposes of, but not limited to, funding agreements, shared services, shared procurement, projects etc. and that council/agency is the lead agency. In the event of this occurring, the lead council/agency must demonstrate appropriate risk management processes to the satisfaction of the relevant Manager; and
- for WHS specific activities not limited to: hazard assessments, incident reporting, plant and task risk assessments.

11 - Consultants and contractors are also required to use the ERMF when assessing any activities, programs and services associated with their work on behalf of the Council.

12 - Risk Management Process stages

Effective ERM is a cyclical process that requires the undertaking of the following sequential stages:



Each of these stages requires effective communication and consultation as well as monitoring and review. The 'Risk Management Process' below summarises how each of these stages are undertaken.

13 - Risk Management Process and Activity Schedule

Type of Risk	Review schedule	Responsible
Operational Risk Review and Identification	Annually	Managers and key staff
Strategic Risk Review	Annually	Management team endorsed by Audit Committee and adopted by the Council.
Project / activity risk assessments	As required	All staff
Financial Internal Controls Review	Annually	Management Team, reviewed by Audit Committee

14 - Internal Controls

Council's Internal Controls are processes for assuring Council's achievement of objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. Internal controls involve everything that controls risk to the organisation.

The Internal Control Systems are the policies and procedures that help ensure appropriate risk responses are executed. Internal Controls include a range of activities such as approvals, delegations, security of assets and segregation of duties.

Internal Controls play an important role in mitigating risk, detecting and preventing fraud and protecting the organisation's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or intellectual property such as trademarks).

Management must adopt a risk management approach to identifying and assessing risks and apply cost/benefit analysis in the development of internal controls. Council employees must conduct their duties in accordance with internal control processes and practices of Council.

Elements of an Internal Control System

The essential elements of an effective internal control system are:

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

15 - Risk Management Process

The overall Risk Management Process steps are summarised in the table below. The process of Risk Assessment refers to the overall process of risk identification, risk analysis and risk evaluation as highlighted in yellow:

Steps	Process	Method	Measure
Scope, Context, Criteria	Understand the organisational objective and scope of the activity identified.	•define the scope of the risk management activity •consider internal and external factors and sources of risk •consider relevant to FRC's risk criteria (tolerance and appetite)	•Against FRC vision/mission and strategic plans •Against risk criteria
Risk Identification	Understanding what risks exist, mapped against an objective	•identify the objective •identify what are the internal / external pressures that impact our performance against that objective?	Against FRC vision/mission and strategic plans
Risk Analysis (Inherent Risk)	•Determine the risk causes •Determine the risk consequence	**Consequence** •Using the consequence descriptors available assess the highest consequence **Likelihood** •Using the likelihood tables provided determine the likelihood of the risk issue/event occurring Note - Evaluation must be qualitative, quantitative or semi quantitative. (Metrics)	•Consequence descriptors •Likelihood Descriptors •Use the risk matrix to identify the Inherent Level of Risk (LOR) Risk Rating. •Document the LOR
Risk Analysis Residual Risk (risk after internal controls are in place)	•Determine internal controls against each of the risk causes identified.	•Identify what controls are in place to prevent the risk causes from occurring. •refer to the elements of the internal control system as part of your analysis	•Consequence descriptors •Likelihood Descriptors •Use the risk matrix to identify the Residual Level of Risk (LOR) Risk Rating. •Document the LOR
Risk Evaluation	•FRC Risk is measured against the residual level of risk. •Determine if the risk is within tolerance level or whether the risk should be treated or	•Tolerate the risk if the Residual LOR is moderate or below: •If the Residual LOR is high or extreme, treatments should be identified to further	•Is the Residual LOR within tolerance levels? If 'Yes'- risk assessment complete.

Steps	Process	Method	Measure
	managed by informed consent	manager the risk as low as reasonably practicable. NB- if treatments are not practicable, then the risk may be carried by informed consent of the CEO and approved by the Council.	If 'No' – consider implementing risk treatments
Treat Risks	•Identify new risk treatments that could be implemented to mitigate risks to an acceptable level. Or Can the risk be: •accepted •avoided •controlled •transferred •treated •shared •take •retained	•re-evaluate the risk evaluation after treatments are in place NB- risk treatment are not effective controls until they have been fully implemented (existence).	•Is the Residual LOR within tolerance levels? If 'Yes'- risk assessment complete. If 'No' – Refer to the CEO for further action/mitigation or acceptance of the risk.
Recording and reporting	•Report on risk management activities as part of the WHS, IM & ERM Plan •report on strategic/operational risk to Audit Committee (Annually)	•Report progress against existing plans to Senior Leadership Team and Audit Committee as required.	•Strategic risk registers in situ, monitored and reviewed •Internal Financial Controls risk assessment and unqualified controls opinion •Council reports have risk assessments as required •Participation in the bi-annual LGRS audit and associated action planning
Monitor and review	•Recording and reporting structure in situ •ongoing and periodic review of the risk management process and its outcomes	•Regular review of the ERMF in line with policy review schedule •Monitor objectives and strategy by exemption, review and adjust	•Incorporate process improvements into ERMF, tools and templates
Communication and Consultation	To assist relevant stakeholders in understanding risk, the	Communication methods can include, but are not limited to:	•Risk criteria in Situ •Consultation is documented

Steps	Process	Method	Measure
	basis on which decisions are made and the reasons by particular actions are required.	•establishing a risk assessment team with differing expertise and perception and consider al views •inclusion of stakeholder in risk assessment •consultation with staff on policy documents •inclusion of employees in audits •provide sufficient information to establish risk oversight and decision making	•Risk Management tools available •Risk awareness / training •Risk consequence and likelihood descriptors are defined and understood •ERMF endorsed by the Audit Committee

16 - Risk Treatment Options

- Acceptance: not recognising the risk or conscious decision to accept the risk i.e. for risk factors beyond our control (earthquake, war etc.);
- Avoidance: not proceeding with project or idea;
- Control: reduce likelihood, limit consequences (impact);
- Transfer: shifting responsibility of risks and losses to another party through legislation or contract (e.g. indemnity or insurance policy);
- Treated: reduced ‘as low as reasonably practicable’ through tightening or identifying new internal controls. This involves changing the likelihood and/or consequence.
- Shared: partnering or sharing a service with another entity;
- Taking: increasing the risk in order to pursue and opportunity within Council risk appetite; and
- Retained: continue to pursue the objective, project or idea by informed decision of the CEO and approved by the Council.

17 - Risk Measurement (Level of Risk)

Risk is measured using a best information qualitative or quantitative and having regard the likelihood and consequence. It is important to refer to the risk consequence descriptors. These descriptors detail the criteria for each level of consequence against the five (5) approved functional risks which a risk is to be assessed. The consequence descriptors comprise the following overarching categories of risk for the Council being:

- Financial;
- Reputation / relationship;
- WHS;
- Organisational / customer impact; and
- People

All risks to which the Council is exposed are related to one or more of these categories. When assessing risk consequences for a particular risk against these category descriptors, the highest level of consequence should generally take precedence.

Risks are first measured at a 'Raw' level of risk, this provides perspective on the consequence which could arrive if the risks are not mitigated with controls and/or treatments. The secondary risk assessment is the 'Residual Risk' risk after controls and treatments implement and is the basis for risk appetite decisions.

The approved risk categories and consequence descriptors are detailed below:

Consequences Descriptors Matrix

Rating	***Financial***	***Business Continuity /Customer Impact***	***Reputation/ Relationships Damage***	***People***	***WHS (Strategic & Operational)***
Insignificant (Negative)	• Low financial impact ≤ 5% reduction in revenue or variation in budget/program expenditure • Theft or loss of up to $1,000 • Insurance claims below normal excess	• Inability to provide critical service/s for 1 day • External enquiry agency request for information • No material business/service disruption. Small delays in routine service for ½ day.	• Counter/telephone/letters of complaint resolved amicably by council officer • FRC Facebook post appropriately responded to by council officer. • Non-headline exposure and limited coverage • Insignificant level of community concern, no lasting brand damage	• ≤ 10% staff turnover per year • ≤ 10% non-availability or capability of staff at any one time	• Bump, minor bruise, removal of splinters etc. requiring no treatment • (report only) to staff members; or • To members of the public due to the actions/omissions of work undertaken by FRC
Insignificant (Positive)	Small benefit (<10%) in financial gain, cost savings, debt reduction or minor improvement in financial indicators (ratio's)	Small benefit (<10%) in process efficiency, project completion or customer value.	Small benefit (<10%) in process efficiency, customer value or financial gain.	Small benefit (<10%) improvement in staff resources, capability, skills; knowledge and/or succession planning.	Small benefit (<10%) in process efficiency, customer value or financial gain.

Rating	Financial	Business Continuity /Customer Impact	Reputation/ Relationships Damage	People	WHS (Strategic & Operational)
Minor (Negative)	• Financial exposure between 6 and 10% reduction in revenue or variation in budget/program expenditure • • Theft or loss between $2001 to $5,000 • • Exceeded excess insurance claim • • Litigation unlikely	• Small delays in routine service for 2 days. Backlog cleared in reasonable period. • Ombudsman/Ministerial investigation commenced.	• Letters of complaint to CEO/Mayor or • Limited media exposure and minimal response required i.e. resident letters to Messenger/Advertiser • Minor impact upon brand with stakeholders, partners or community	• ≥ 15% staff turnover per year • ≥ 15% non-availability or capability of staff at any one time	• First aid treatment including; Hot cold treatment, removal of splinters, covering wounds, removal of foreign bodies in the eye using eye wash or cotton swab, administering non- prescription medication to staff members • To members of the public due to the actions/omissions of work undertaken by FRC • Incident where potential for minor injury may occur
Minor (Positive)	Minor benefit (<11 - 20%) in financial gain, cost savings, debt reduction or improvement in financial indicators (ratio's)	Minor benefit (<11 - 20%) in process efficiency, project completion or customer value.	Minor benefit (<10% of population) enhancement in reputation with stakeholders, partners or the community.	Minor benefit (<11 - 20%) improvement in staff resources, capability, skills; knowledge and/or succession planning.	Minor benefit (<11 - 20%) in incidents, injuries and/or improvements to the Safety Management System.

Rating	Financial	Business Continuity /Customer Impact	Reputation/ Relationships Damage	People	WHS (Strategic & Operational)
Moderate (Negative)	• Financial exposure between 11 and 15% reduction in revenue or variation in budget/program expenditure • Theft or loss of between $5,000 and $10,000 • Litigation likely	• Business disruption to critical services for more than 24 hours; or • Moderate delays in routine services for ≥ 5 days. • Ombudsman/Ministerial investigation finds systemic weaknesses in organisational processes • ICAC investigation commenced	• Negative content and exposure published i.e. journalist article in • Messenger/Advertiser. • Complaint provided air-time on radio (no follow up story) • Moderate level of stakeholder, partner or community concern where brand is repairable	• ≥ 20% permanent staff turnover per year • ≥ 20% non-availability or capability of staff at any one time	• Medically treated injury requiring clinic or hospital treatment less than 24 hours duration, installing a drip or iv, physiotherapy as a cure, applying a cast, surgery, prescription drugs, stitching a wound to staff members; or • To members of the public due to the actions/omissions of work undertaken by FRC • Incident where potential for moderate injury may occur • Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR) • Category 1 - Breach of Duty for reckless conduct
Moderate (Positive)	Moderate benefit (<21-35%) in financial gain, cost savings, debt reduction or improvement in financial indicators (ratio's)	Moderate benefit (<21-35%) in process efficiency, project completion or customer value.	Moderate benefit (<21-35% of stakeholders/population) in enhancement in reputation with stakeholders, partners or the community.	Moderate benefit (<21-35%) improvement in staff resources, capability, skills; knowledge and/or succession planning.	Moderate benefit (<21-35%) in incidents, injuries and/or improvements to the Safety Management System.

Rating	Financial	Business Continuity /Customer Impact	Reputation/ Relationships Damage	People	WHS (Strategic & Operational)
Major (Negative)	• Financial exposure between 6 and 30% reduction in1 revenue or variation in budget/program expenditure • Theft or loss of between $10,000 and $100,000 • Litigation highly likely ≥ $100,000	• Business disruption to critical services for more than 48 hours; or • delays in routine services for ≥ 10 days. • Inability to provide all services for ≥ 48 hours. • Ombudsman/Ministerial review results in termination of staff/major changes to systems and processes • Employee(s)/Elected Members charged with corruption and referred to DPP for prosecution	• Headline significant and negative media coverage I.e. story in Messenger/Advertiser, Television coverage (news/current affairs shows etc.) • Loss of brand credibility with many stakeholders, partners and community members	• ≥ 40% permanent staff turnover per year • ≥ 40% non-availability or capability of staff at any one time	• Major injury resulting in limb loss, electrocution, permanently disability, blindness to staff members • To members of the public due to the actions/omissions of work undertaken by FRC • Incident where potential for major injury may occur • Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR) • Category 2 Breach of Duty
Major (Positive)	Major benefit (<35-50%) in financial gain, cost savings, debt reduction or minor improvement in financial indicators (ratio's)	Major benefit (<35-50%) in process efficiency, project completion or customer value.	Major benefit (<35-50% of the stakeholders/population) in enhancement in reputation with stakeholders, partners or the community.	Major benefit (<35-50%) improvement in staff resources, capability, skills; knowledge and/or succession planning.	Major benefit (<35-50%) in incidents, injuries and/or improvements to the Safety Management System.

Rating	***Financial***	***Business Continuity /Customer Impact***	***Reputation/ Relationships Damage***	***People***	***WHS (Strategic & Operational)***
Catastrophic	• Financial exposure ≥ 40% reduction in1 revenue or variation in budget/program expenditure • Theft or loss of >$100,000. • Litigation highly likely • ≥ $250,000	• Inability to provide critical Council services for ≥ 5 working days • Business disruption to all routine services for more than 48 hours; • Dismissal of CEO or Council put into administration by Minister • Employee(s)/Elected Member(s) found guilty of corruption	• Follow up stories in any media that extend the scope of concern. • Loss of trust/credibility with all stakeholders, partners and the community	• ≥ 50% permanent staff turnover per year • ≥ 50% non-availability or capability of staff at any one time • Long term Non-availability or capacity of CEO and another manager position.	• The work-related death of an employee • The death of a person due to FRC negligence • Notifiable incident to SafeWork SA or OTR) • Category 3 Breach of Duty
Outstanding Opportunity (positive)	Outstanding benefit (>50%) in process efficiency, customer value, financial gain and/or significantly enhanced reputation.	Outstanding benefit (>50%) in process efficiency, project completion or customer value.	Outstanding benefit (>50% of stakeholders/population) in enhancement in reputation with stakeholders, partners or the community.	Outstanding benefit (>50%) improvement in staff resources, capability, skills; knowledge and/or succession planning.	Outstanding benefit (>50%) in incidents, injuries and/or improvements to the Safety Management System.

Likelihood Descriptors

Having identified the risk and causes, it is then important to determine the likelihood of a risk eventuating.

Below indicates the criteria and rating against which a risk of occurring is rated.

RATING	*% Chance of Occurring*	DESCRIPTION OF LIKELIHOOD
Almost Certain	***>95%***	**Is expected to occur in most circumstances**
Likely	***75-95%***	**Probably occurs in most circumstances**
Moderate	***25-75%***	**Might occur at sometime**
Unlikely	***5-25%***	**Could occur at sometime**
Rare	***<5%***	**May occur only in exceptional circumstances**

Risk Analysis Matrix – Level of Risk

When assessing risk, the likelihood and consequence must be correlated using the risk matrix detailed below for both negative or positive risks,

Prevent/Reduce/Manage Negative Consequences					LIKELIHOOD	Enhance/Promote/Facilitate Positive Consequences				
E	E	H	M	M	**Almost Certain** > 95% chance of occurring	M	M	H	E	E
E	E	H	M	L	**Likely** 75% - 95% chance of occurring	L	M	H	E	E
H	H	M	M	L	**Moderate** 25% - 75% chance of occurring	L	M	M	H	H
H	M	M	L	L	**Unlikely** 5% - 25% chance of occurring	L	L	M	M	H
M	M	L	L	L	**Rare** < 5% chance of occurring	L	L	L	M	M
Catastrophic	Major	Moderate	Minor	Insignificant	**Scale**	Insignificant	Minor	Moderate	Major	Outstanding

Responses to Level of Risk

The following details the level of responsibility for managing each level of risk i.e. low, moderate, high or extreme

Legend	Action
Low	**Managed locally using routine procedures approved by Manager and allocated to nominated staff (individual or by classification).**
Moderate	**Managed locally using routine procedures approved by Manager and allocated to nominated staff (individual or by classification).**
High	**Manager responsible, process/procedures approved by CEO.**
Extreme	**CEO responsible, process/procedures approved by Council.**

18 - REFERENCES

Work Health and Safety Regulations 2012
AS/ANZ ISO 31000:2018 Risk Management – Principles and Guidelines
HB 327:2010 Communicating and Consulting About Risk (Standards Australia)
The Flinders Ranges Council Risk Management Plan

19 - REVIEW

To be reviewed within 12 months after a General Election, in line with legislation and any legislative changes or by resolution of Council.

Adopted by Council 13 August 2013
Resolution 180/2013

Review Date	Version Number	Change	Resolution
13 August 2013	1	Nil	180/2013
30 June 2015	2	Responsibility – deletion of last paragraph referring to CEO(Already mentioned above) Review – standard wording (Reviewed by Policy Review Reference Committee – Minutes endorsed by Council; public consultation process approved 21 July 2015)	229/2015
20 August 2018	3	Complete rewrite	/2018
20 June 2023	4	Update of act references and minor grammar and formatting	149/2023