Mansfield Shire Council

Risk Management Plan

2025

Mansfield Shire

Mansfield Shire Council **Risk Management Plan**

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1. Introduction

This Risk Management Plan intends to provide an operational framework to assist Council to manage risks it faces using consistent processes which can be applied to any Council activity.

To be effective, the management of risks should be applied at all stages of any activity, project or function and should be seen as an integral part of the overall management process.

This Plan is based on the principles and guidelines contained in the International Standard AS/NZS 31000:2018 which emphasises that for risk management to be effective it is important the risk management process is:

- Value creating
- An integral part of organisational processes
- Part of the decision-making process
- Systematic, structured and timely
- Able to address uncertainty
- Based on the best available information
- Tailored
- Transparent and inclusive
- Takes human and cultural factors into account
- Dynamic, repetitive and responsive to change
- Facilitates continual improvement and enhancement of the organisation

2. Purpose

The purpose of this plan is to document:

- the principles of Council's risk management system, commitment to risk management and how that operates internally.
- the roles and responsibilities of risk management within Council.
- the reporting structures that provide the Executive Management Team, Audit & Risk Committee and Council with the appropriate oversight of risk management within the organisation.

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3. Scope

The Risk Management Plan incorporates all risks faced by Council in achieving its strategic objectives during normal operations. The risks are categorised as Strategic, Operational, Emerging and Project risk.

The Framework applies to all operational areas of Council, including Councillors, Council staff, contractors and volunteers undertaking any function for or on behalf of Council to ensure that all decisions relating to Council's Risk Management Policy are made in a consistent and open manner.

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Risk Management Framework Components

Outlined In This Document	Outlined In Separate Documents
‣ Risk Management Framework (the Framework) ‣ Risk Appetite ‣ Risk Rating Matrix	‣ Risk Management Policy ‣ Audit and Risk Committee Charter ‣ Operational and Strategic Risk Register ‣ Risk Management Internal Guidelines

4. Implementation and Review Date

The Risk Management Plan was endorsed by Council on 16 December 2025.

The Risk Management Plan will be reviewed in line with the Risk Management Policy or earlier if required.

Council reserves the right to review, vary or revoke this Plan at any time.

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5. Definitions

Term	Definition
Consequence	Outcome of an event affecting objectives
Control	Measure that maintains and/or modifies risk.
Event	Occurrence or change in a particular set of circumstances.
Likelihood	Chance of something happening
Inherent Risk	Represents the amount of risk that exists in the absence of controls
Objectives	Those things that the organisation would like to achieve, deliver or provide. Objectives are broken into different aspects.
Residual Risk	The amount of risk that remains after controls and mitigation action plans are accounted for
Risk	Effect of uncertainty on objectives
Risk Assessment	Overall process of risk identification, risk analysis and risk evaluation
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Management Process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.
Risk Owner	The person assigned the responsibility for the day-to-day management of a risk.
Risk Source	Element that, alone or in combination, has the intrinsic potential to give rise to risk.
Risk Treatment	Process to eliminate risk or reduce it to a tolerable level.

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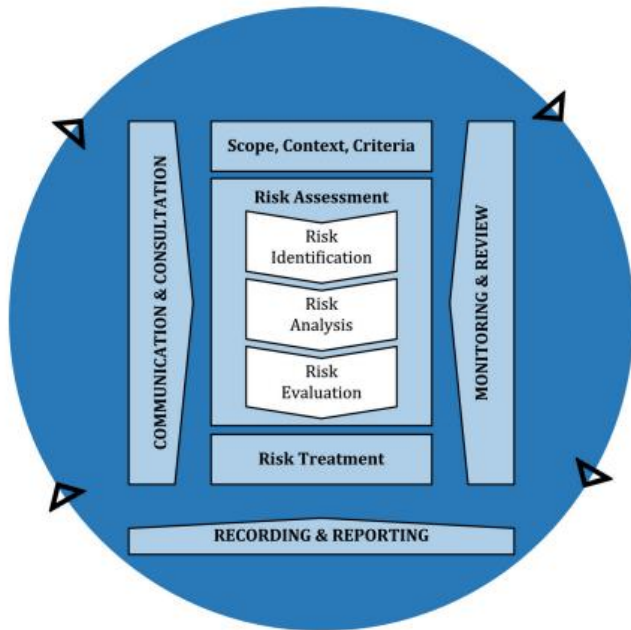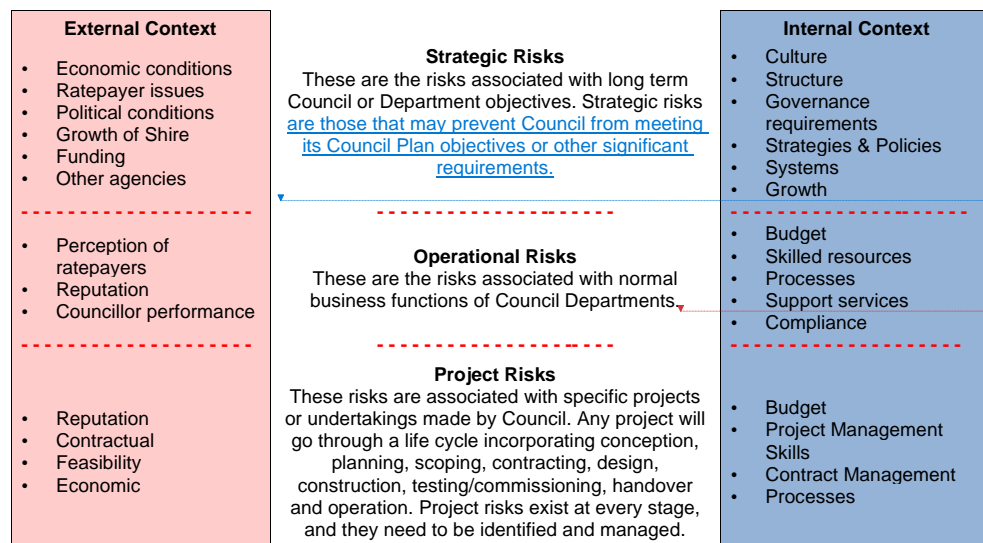
6. Risk Management Process

Figure source: AS ISO 31000:2018 Figure 4 – Process

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6.1. Scope, Context, Criteria

Risks are categorised as either strategic, operational or project based – where the 'Risk' is defined in terms of the ***effect of uncertainty on objectives***. The diagram below gives some examples of risks based on external and internal context.

External Context	Strategic Risks	Internal Context
• Economic conditions • Ratepayer issues • Political conditions • Growth of Shire • Funding • Other agencies	These are the risks associated with long term Council or Department objectives. Strategic risks are those that may prevent Council from meeting its Council Plan objectives or other significant requirements.	• Culture • Structure • Governance requirements • Strategies & Policies • Systems • Growth
• Perception of ratepayers • Reputation • Councillor performance	Operational Risks These are the risks associated with normal business functions of Council Departments.	• Budget • Skilled resources • Processes • Support services • Compliance
• Reputation • Contractual • Feasibility • Economic	Project Risks These risks are associated with specific projects or undertakings made by Council. Any project will go through a life cycle incorporating conception, planning, scoping, contracting, design, construction, testing/commissioning, handover and operation. Project risks exist at every stage, and they need to be identified and managed.	• Budget • Project Management Skills • Contract Management • Processes

The context in which a risk exists is important particularly considering the relationship, perceptions and values of stakeholders as this shapes the risk appetite of the organisation.

6.2. Risk Management Governance Structure

Council's Risk Governance Structure is a component of the overall organisational structure. It represents the accountability and responsibility for risk, reporting lines for risk information and risk escalation path.

The Risk Governance Structure starts with the Councillors and cascades through management and all levels of staff. Oversight for risk is achieved through the Audit and Risk Committee and management and executive committees, with independent assurance from the internal audit function.

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6.3.   Roles and Responsibilities

Role	Responsibilities
Council	‣ Adopt the Risk Management Plan and ‣ Decide Council's risk appetite. ‣ Manage strategic risks and ensure strategies to reduce vulnerability are included in the strategic plan and implemented. ‣ Allow sufficient resourcing (financial and non-financial) to support risk management.
Audit and Risk Committee	‣ Review whether a current and comprehensive Risk Management Framework is in place. ‣ Review Council's risk appetite. ‣ Assess the impact of Council's Risk Management Framework on its control environment and insurance arrangements. ‣ Monitor implementation of Council's risk treatments. ‣ Determine whether a sound and effective approach has been followed in establishing Council's business continuity planning arrangements including whether business continuity and disaster recovery plans have been periodically updated and tested.
Chief Executive Officer	‣ Oversee Council's Risk Management Plan implementation. ‣ Consider risks as part of business planning processes. ‣ Regularly monitor risks. ‣ Promote a risk management culture within Council.
Executive Management Team	‣ Ensure implementation of controls within all departments in their directorate and areas of responsibility. ‣ Promote a positive risk management culture within the directorate and areas of responsibilities
Risk Owners	‣ Overall coordination of the management of the risk including: • Assurance that controls are effective. • Treatments are completed. ‣ Monitoring of the environment to identify if there are any indicators the risk might eventuate. ‣ Maintaining oversight of the effectiveness of the control and providing regular updates to the Risk Register as required.

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Role	Responsibilities
Governance and Risk Team	▸ Overseeing the development of facilitation and implementation of the Risk Management Framework. ▸ Provide risk related support and advice to the organisation. ▸ Management of the Strategic and Operational Risk Register and preparation of reporting in line with this plan.
OHS Officer	▸ Maintaining the Occupational Health and Safety (OHS) framework in accordance with relevant legislation and council policies. ▸ Maintaining the incident and hazard registers. ▸ Overseeing coordination and effective operation of the OHS Committee. ▸ Identifying, assessing and monitoring workplace health and safety risks and ensuring appropriate controls are implemented. ▸ Collaborating with departments to ensure OHS risks are considered in all relevant planning, operations and projects. ▸ Providing guidance and advice on health and safety risk matters.

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7. Risk Assessment

7.1. Risk Identification

The purpose of risk identification is to find, recognise and describe risk that might have an impact on the objectives of Council.

As outlined in the ISO 31000:2018, a risk is defined as the effect of uncertainty on objectives.

▸ An effect is a deviation from the expected – negative and/or positive and can address, create or result in opportunities or threats.

▸ Objectives can have different categories and can apply at different levels.

▸ Risk is usually expressed in terms of risk sources, potential events, their consequences and their likelihood.

Risks should be identified whether or not the source/s are under the control of Council.

After a risk is identified, it may be categorised and captured in the Risk Register in accordance with the following categories:

1. **Reputational** – Risks that may negatively impact Council's reputation, public image or perception.

2. **Service Delivery** – Risks related to the delivery of services, outputs or programs including their quality, effectiveness or timeliness.

3. **Assets, Infrastructure and Projects** - The impact on the ability of Council to ensure assets and infrastructure are sustainable and fit for purpose and that projects are delivered on time, to quality standards and with value for money. Major projects are managed separately with a steering committee or increased level of oversight that reviews risk at key project milestones.

4. **Financial** – Risks with a potential financial impact to Council including loss of income (e.g. rates, charges, grants), unplanned or escalating costs, poor management of assets and liabilities, inadequate reserves or insufficient insurance coverage.

5. **Governance** – The risk of non-compliance with legislative or regulatory obligations (e.g. Local Government Act, OHS Act), including potential penalties.

6. **People** – Risks related to the safety, health (including physical, mental or psychological wellbeing) or availability and capability of people resources.

7. **Environment** – Impact on natural assets such as flora, fauna, air, water or land.

8. **Technology and Cyber Security** - Risks of damage to Council's core business including cyber-attacks, power outage and other services (Internet), data loss, security breaches or complete systems failure.

9. **Risk taking** – the potential that being averse to risk-taking will impact of the future objectives of the Council.

Generally, it is best to align the risk with the category where it has the most impact. This means that the category which has the highest consequence and is most likely will influence the level of risk determined from the risk matrix.

Deleted: Risks identified are documented in the Risk Register and ranked based on consequence and the likelihood of the consequence occurring. ¶
It is important when documenting a risk to identify what uncertainty exists (i.e. the event), the cause of this uncertainty and the effect of this event on objectives. In general, this will influence objectives around an aspect from the following areas: ¶

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Deleted: <#>**Asset management** – the impact is on the ability of the Council to ensure suitable, maintainable and sustainable assets are available into the future.¶
Project Management – projects are delivered to a quality standard, on time and with value for money. Major projects are managed separately with a steering committee or increased level of oversight that reviews risk at key project milestones.¶

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Deleted: safety, wellbeing psychological or social, physical or mental health impact of the objective, or the influence of people resources on the objecti

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7.2. Risk Analysis

The main objective of risk analysis is to separate the minor acceptable risks from the major ones so that these can be prioritised accordingly and to provide data to assist in the evaluation and treatment of the risk.

Analysis involves developing an understanding of the risk sources, the likelihood of the risk occurring and the full range of potential impact/consequences.

Risk Description

A risk description is to clearly define the nature of the risk or hazard being analysed. This includes identifying the risk event, its causes and the context in which it might occur. A well-defined risk description is specific, relevant and avoids vague language. It should provide enough detail to support analysis and decision-making.

When describing a risk it is important to clearly articulate what the risk or hazard is. Describe the event or condition that may cause harm or disrupt objectives. How would the failure or hazard be observed (e.g., bridge collapse).

Likelihood

The following table outlines how, in the current control environment, the likelihood that a risk will occur is to be estimated.

Likelihood scales	Likelihood
A. Almost certain	Will occur in most circumstances with a high level of known incidents recorded / experienced
B. Likely	Could occur in most circumstances with regular incidents known recorded / experienced
C. Possible	Might occur at some time with occasional yet random incidents recorded / experienced
D. Unlikely	Could occur at some time with a few infrequent yet random incidents recorded / experienced
E. Rare	May occur only in exceptional circumstances incidents are highly unheard of recorded / experienced

Key considerations when determining the likelihood include:

▸ Frequency of Occurrence or Exposure: Consider how often this type of event has occurred in the past or how often it is expected to occur as well as the level of exposure (e.g., number of people, systems or assets potentially affected).

▸ Probability: Estimate the likelihood that the event will occur under current conditions. This may be based on historical data, expert judgment or statistical models.

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Consequence Criteria

The consequence criteria for Council's risks are available in **Appendix A**. The level of consequence for each risk is to be determined for the main categories in the consequence matrix.

There are five levels of consequence identified which are ranked from 1 to 5 based on whether the outcome of interaction is Negligible, Minor, Moderate, Major or Critical.

Initial Analysis

The initial analysis provides the Inherent Likelihood, the Inherent Consequence and the Inherent Risk Rating. At this stage, the analysis assumes that there are no effective controls in place. While this is unlikely, it allows Council to understand which risks have the greatest potential for disrupting business operation and therefore require strong and effective controls with appropriate and ongoing oversight.

7.3. Risk Evaluation

The purpose of risk evaluation is to support decisions based on the outcomes of the risk analysis. Risk evaluation involves comparing the results of the risk analysis with the established risk criteria to determine where additional action is required.

The risk evaluation will decide:

► Whether a risk needs treatment.
► Whether an activity should be undertaken.
► Priorities for treatment.

Risk Matrix

A matrix leads to the identification of the risk as Low, Medium, High and Very High. Additionally each cell in the matrix has a number representing the risk score. This number helps differentiate different risks within the one rank and can assist in prioritising the order in which risks should be addressed.

Ultimately the decision as to whether a risk requires treatment and the level of priority assigned to treatment rests with where the risk sits within the Risk Matrix. Council will use the following risk matrix* when determining the level of an identified risk after assessing the likelihood and consequence:

Consequence	Likelihood				
	A Certain	B Likely	C Possible	D Unlikely	E Rare
1. Negligible	M	M	L	L	L
2. Minor	H	M	M	L	L
3. Moderate	H	H	M	M	L
4. Major	E	H	H	M	M
5. Critical	E	E	H	H	M

Simplified Risk Matrix – use this as an initial guide only. For potential high or extreme risks, please use the detailed Risk Matrix (Appendix A).

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Risks are categorised as Low (L), Medium (M), High (H) and Extreme (E) based on consequence and the likelihood of the consequence occurring.

The level of risk will define the intervention level and control required:

- ► (E) Extreme – Activities with a residual risk rating of Extreme are unacceptable and should cease until suitable controls are put in place to lower the risk, or CEO approval is obtained.

- ► (H) High - Activities with a residual risk rating of High require authorisation by Senior Executive staff. The activity must be aligned with the Council Plan. Senior Executive staff will closely monitor the activity with clearly defined responsibilities for the relevant department.

- ► (M) Medium - Activities with a residual risk rating of Medium are acceptable with manager approval or documented knowledge.

- ► (L) Low - Activities with a residual risk rating of Low are acceptable subject to routine management of controls.

Controls are implemented to mitigate the risk using the hierarchy of control.

The Audit Committee will oversee the risk exposure of Council by advising management on appropriate risk management processes and adequate risk management systems to assure alignment with ISO 31000-2018.

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8. Risk Treatment

The level of risk, the available controls (and resources to provide these) and the effectiveness of the controls may influence the treatment option selected.

In considering a control, it is best to look at the effectiveness of the control. Controls where exposure to a risk is eliminated are more effective than a procedural or administrative control.

This is represented in the following table:

Hierarchy of Control - Interventions identified may be a mixture of the hierarchy in order to provide As Low As Reasonably Practicable (ALARP) exposure.		
Most effective Least effective	**Elimination**	Eliminate the risk by preventing exposure to the consequence. Redesign the process to eliminate the risk.
	Substitution	Provide an alternative that can provide the same outcome but is less risk.
	Engineering Controls	Provide or construct a physical barrier or guard.
	Administrative Controls (also known as Procedural Control)	Develop policies, procedures practices or guidelines in consultation with employees to mitigate the risk. Provide training, instruction and supervision about the risk.
	Personal Protective Equipment (PPE)	Personal equipment designed to protect the individual from the hazard.

Examples of using hierarchy of controls:

The risk of not meeting the agreed timelines of a major project is identified due to an unexpected weather event. The consequence would have reputational and financial impacts. The risk cannot be eliminated, substituted or engineered. **Administrative controls** such as increased supervision, reinforcing contract requirements and proactively and transparently communicating with stakeholders and community are therefore the most effective ways of reducing exposure.

A Council service is identified as handling significant amounts of cash that is unmonitored throughout the day, creating a risk of theft and financial loss. Council chooses to make that service card only. This is an example of **eliminating** the risk of cash theft.

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Once a risk is identified, there are three primary treatment options to be considered.

Selection of the treatment will depend on Council's risk appetite (refer section 9 of this Plan) and whether continuing with the activity or program is acceptable. While typically the best way to treat extreme or high risk is to avoid or eliminate, any category of risk can be treated using any of these options.

Risk Treatment Options	
Treat or Avoid the Risk	‣ Evaluate the risk versus benefit in pursuing an opportunity – do you have to undertake the activity in the first place? ‣ Reduce the likelihood of a risk occurring through improved planning, procedures or controls. ‣ Reduce the severity of the impact the risk may create through mitigation strategies or contingency plans. ‣ Don't start or continue with the activity or program. ‣ Strengthening existing controls or implementing new ones. ‣ Deciding not to start or to discontinue the activity or program if the risk outweighs the benefit.
Tolerate the Risk	‣ In the context in which the risk exists it is considered to be acceptable to Council.
Shift or Share the Risk	‣ Engage a contractor or specialist to undertake the service. ‣ Remove or outsource the risk source. ‣ Involve other stakeholders. ‣ Insure against financial loss or liability arising from negative outcomes.

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9. Risk Appetite Statement

Risk appetite represents how much risk Council is willing to take on to achieve its strategies and goals. The risk appetite statement is a shared understanding of what is acceptable and unacceptable risk taking at Council. This statement helps to avoid personal perceptions and biases that can adversely influence risk-based decisions.

The table below identifies the definitions for Council's risk appetite.

High Appetite	Eager to be innovative and to choose options offering potentially higher rewards, despite greater inherent risk.
Moderate Appetite	Willing to consider all potential options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)
Low Appetite	Preference for safe delivery of options that have a low degree of residual risk and may only have limited potential for reward.
Zero Appetite	Risk to be eliminated or minimised through the strongest of controls.

Overarching Risk Appetite Statement

In applying our business efforts to deliver against the objectives of our Council Plan and discharge our obligations under the *Local Government Act 2020* we accept the risks that come with service delivery and innovation.

We value continuous improvement and pursue outcomes that are aligned with our community and stakeholders' expectations and most likely result in successful service delivery while also providing an acceptable level of reward.

Our risk decisions are guided by a commitment to legal compliance, sustainability and public trust ensuring that we act responsibly while enabling progress. Council acknowledges that being averse to risk-taking can impact the future objectives of Council.

We have zero appetite for any harm caused to people or the environment or for deliberate violation of laws or regulatory requirements.

Risk Appetite Statements by Risk Type

Risk Type	Appetite	Risk Appetite Details
Reputational	Moderate appetite	Council has a **moderate appetite** for reputational risk to encourage a high level of transparency and a perceived community benefit. We strive to maintain a high standard of integrity and transparency and engage frequently on matters that have an impact on the community. We are strong in communications and our advocacy positions which risk negative responses from other levels of government.

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Risk Type	Appetite	Risk Appetite Details
Service Delivery	Moderate appetite	Council has a **moderate appetite** for risks related to service delivery outcomes or outcome-related risks where innovation may enhance quality or timeliness. However, we are not willing to compromise on outcomes that materially affect vulnerable community members or essential services. While we seek to achieve objectives effectively, we are willing to accept some delays or trivial errors if they lead to better long-term community outcomes. Council supports a citizen-led, community-driven approach enabling community involvement and local initiatives. In this context, Council acknowledges a reasonable level of tolerance for unexpected outcomes where they arise from community-led activities. It is recognised that such engagement may carry inherent uncertainties but believe the potential benefits justify this approach.
Assets, Infrastructure and Projects	Moderate appetite	Council has a **moderate appetite** for risks that could threaten the long-term sustainability, safety or functionality of its public assets. Council invests in responsible planning, preventative maintenance and lifecycle asset management to support community needs now and into the future. Council has a **moderate appetite** for project-related risks, acknowledging that some level of risk is inherent in delivering innovative or transformative projects. However, this is conditional on the presence of robust governance, oversight and risk management. Council has an extremely low tolerance for unmanaged costs or project failures that compromise safety, compliance or community outcomes.
Financial Sustainability	Low appetite	Council has a **low appetite** for risks associated with ongoing financial sustainability. Council plans for long-term sustainability through the ten-year Financial Plan and Annual Budget and has implemented financial management policies to ensure that the financial position is managed to an acceptable level. Council acknowledges that external economic conditions, changes in government policy and evolving customer expectations may impact how we fund the delivery of services into the future. While Council is committed to long-term planning, it is also open to considering opportunities that arise

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Risk Type	Appetite	Risk Appetite Details
		outside of existing plans and will explore the merits of those opportunities when they occur.
Governance	Low appetite	Council has a **low appetite** for non-compliance with regulatory and other obligations.
		Council is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards and has no tolerance for deliberate violation of laws or regulatory requirements.
		Minor breaches are expected from time to time but it is expected they will be reported to the Audit and Risk Committee and responded to by management.
		Council will seek to mitigate compliance risks through adherence to internal policies, good corporate governance and process improvement.
People	Zero appetite	Council has **zero appetite** for practices or behaviours that endanger the physical or psychological wellbeing of staff, volunteers, contractors, property owners or community members while interacting with us.
		Council prioritises a safe and inclusive environment where people are protected from harm and foster a culture of respect, wellbeing and proactive health and safety management.
Environment	Low appetite	Council does not accept any harm to the environment where the Council has the ability and resource to prevent it. Council has a **low appetite** for activities that harm the environment or degrade climate change adaption and mitigation opportunities.
		Council acknowledges its legislative requirement to plan for and mitigate climate change risks and considers these impacts through the asset management plans developed for our major infrastructure asset classes.
		Council is committed to complying with its General Environmental Duty under the *Environment Protection Act 2017* which requires Council to take all reasonably practicable steps to prevent harm to human health and the environment from pollution and waste.
		Council acknowledges the importance of our natural environment to our community.

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Risk Type	Appetite	Risk Appetite Details
Technology and Cyber Security	Low appetite	Council has a **low appetite** for risks that threaten the confidentiality, integrity or availability of its technology systems, data or digital infrastructure. Given the reliance on technology to deliver essential services and protect sensitive information Council prioritises investment in cybersecurity, business continuity and system resilience. Any significant technology risk, particularly cyber threats, system outages or data breaches requires proactive mitigation, escalation and regular review.
Risk taking	High appetite	Council has a **high appetite** for well considered, informed and managed risk taking that enables innovation, transformation and progress towards strategic objectives. We support a culture of learning and improvement while ensuring appropriate controls and accountability are in place.

10. Recording and Reporting

Strategic, operational or project based risks identified should be reported to the relevant manager and the Coordinator Governance & Risk as soon as practical after identification.

10.1. Risk Register

A critical element of risk management is the recording of risks. Risks that are not recorded are not able to be managed and the risk exposure of Council is unlikely to be reduced. The most effective means of capturing risk is through the use of a Risk Register.

The Risk Register captures all of the information necessary to ensure the risk can be actively managed including the inherent risk level, mitigating controls, residual risk rating and any required treatment actions.

The Governance & Risk department is responsible for recording strategic and operational risks on the Risk Register in accordance with this Plan and in consultation with the relevant manager.

The register captures risks that meet any of the following criteria:

‣ Risks with an inherent or residual rating of medium or higher based on Council's risk matrix.

‣ Risks that require active monitoring, treatment or escalation due to their potential consequences or likelihood.

‣ Emerging hazards or threats that may have future implications.

The Risk Register is reviewed and updated regularly to ensure that it accurately reflects Council's current risk profile.

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10.2. Risk Ownership

Strategic and Operational Risks will be captured in a centralised Risk Register with only one owner of the risk allocated according to their role.

10.3. Risk Reporting

Reporting is a critical part of any Risk Management Framework as it provides an awareness as to how the organisation is progressing relative to its risk management objectives. In addition, it provides the information necessary for managers to make risk informed decisions.

Under the Local Government Performance Reporting Framework, there is an expectation that Council generates a six-monthly report of Strategic risks to Council's operations, including their likelihood and consequences of occurring and risk minimisation strategies.

The Governance and Risk department will coordinate the Strategic and Operational Risk Reporting in accordance with the below table. Additional reporting may also be required on an ad hoc bas.

Risks	Residual Risk Level	EMT	SMT	Audit and Risk Committee	Responsibility
Strategic Risk Register	Medium, High & Extreme	Quarterly	-	Quarterly	Governance and Risk
	Low	Half Yearly	-	-	Governance and Risk
Operational Risk Register	Medium, High & Extreme	Quarterly	Quarterly	Quarterly	Governance and Risk
	Low	Half Yearly	Half Yearly	Half Yearly	Governance and Risk
Project Level Risks*	All	As required			Project Manager

*Project Risks will be reviewed at Steering Committee meetings and at key project milestones e.g., Design, procurement initiation and contract award.

11. Monitor and Review

Risks need to be regularly reviewed for currency and accuracy. Risk assessments, treatment strategies and the effectiveness of mitigation actions need to be monitored to ensure changing circumstances do not alter priorities or expected outcomes.

Risk Owners are to monitor the currency and status of the risks that have been allocated to them and also provide updates on them in accordance with the requirements of this Plan. This monitoring is to include obtaining assurance that the controls associated with the risk are effective.

Deleted: Councils risk and reporting information flows are as follows: ¶
The Coordinator Governance & Risk will provide a Risk report including the Risk Register to the Audit and Risk Advisory Committee quarterly.¶
Senior Leadership Group (SLG) will consult with staff and review the Risk Register quarterly.¶
Executive Management Team (EMT) will review the Risk Register on an annual basis to provide strategic advice on continual improvement.¶

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12. Council Risk Assurance Program

Risk Assurance	Undertaken by	Focus Overview	Reports to
External Audit	Victorian Auditor General's Office (VAGO)	Reports on the organisations financial performance and position in accordance with the standing directions for the Minister of Finance under the *Financial Management Act 1994* on an annual basis together with any other relevant audits identified by VAGO from time to time.	Parliament
Internal Audit	Council appointed internal auditor	Independent monitoring of Council's application of internal and external policies in the management of its risks. The Internal program is developed every 3 years and its structure is determined by the outcomes of Council's Strategic Risk Register.	Audit & Risk Advisory Committee
Mandatory Compliance Audit	Auditors appointed by State Government Agency	Reports on Council's performance and compliance with various mandatory legal obligations applicable to both State and Commonwealth Government initiatives and programs (e.g. Worksafe).	Council

Deleted: <#>Communication and Consultation¶
It is essential that all participants and stakeholders in the activities of Council are aware of this risk management procedure and are consulted in its development, implementation and evaluation. ¶
The focus for communicating the results of this risk management procedure includes each of the internal and external stakeholders listed below in the Council Risk Assurance Program. ¶

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Appendix A: Consequence Criteria

Risk Category	Negligible	Minor	Moderate	Major	Critical
Reputation	Isolated example. Disagreement. 0-2 complaints. local or internal gossip.	> 1 disagreement.. 2-10 complaints. local media queries (letter to editor).	Loss of grant. Disengaged. 10+ complaint. Local news and radio.	Responsibilities withdrawn. External investigation (coroner/IBAC). 50+ complaints. State media coverage.	Administrator engaged. Council sacked. External investigation (Royal Commission). National/ International media coverage.
Outcome	Local rather than community impact. Some negotiation by management to rebalance of priorities or delays. Service delivery affected <1 day.	More than one locality impacted. Day-to-day management to rebalance priorities or reschedule more than one activity. Objective begins to be impacted. Service delivery affected 1 day - 1 week.	Community backlash or rejection. Management effort/ focus <1 week. Rescheduling of milestone/s to allow achievement of objective/s. 11-30% service disruption. Service Delivery affected 1 week - 1 month.	Widespread community impact. Management effort>1 week. Rescheduling of goals to negotiate delay. Likely an objective or component will not be met. 31-70% service disruption. Service Delivery affected >1 month	Multiple widespread community impacts. 100% concentrated management effort or not able to deliver. Rescheduling of goal and objectives. >70% service disruption.
Assets, Infrastructure and Projects	Some adaptation of facility is required to suit purpose. Maintenance is prioritised due to funding constraints Specification, tender or selection process compromised to allow timeframe or objectives to be met.	Capital works program required to allow assets to meet requirements for the community. Some underutilisation of assets. Only adequate spec, and minimal compliance to procurement policy. Supervision required to prevent delays.	Significant Renewal Gap. Facilities are aging and insufficient funds to maintain or renew. Definite underutilisation of facilities by the community. Administrative errors, supervision and oversight required to keep project on track.	Assets require replacement but no funding available. Assets difficult to be adapted to meet the needs of the community. Assets are surplus to the needs of the community. Significant supervision and oversight required to keep project on track. Milestones out by >6 months.	Assets are not capable of providing the service intended. Do not meet community expectation. No funding is available for asset renewal. Spec not delivering on outcome. 'Proper Planning and Preparation Prevents Poor Performance' not met.

Deleted: 1-5% below quantile.

Deleted: 5-10% below quantile.

Deleted: 25-50% below quantile.

Deleted: Prolonged 10-25% below quantile.

Deleted: Bottom of state or 50% below quantile.

Deleted: Asset Management¶
Project Management¶

Mansfield Shire Council **Risk Management Plan**

Risk Category	Negligible	Minor	Moderate	Major	Critical
	Project commitments will absorb 10% of contingency	Milestones out by >1week. Project at 10-50% of contingency.	Milestones out by >1 month. Project 50-100% of contingency	Project at 100-150% of contingency.	Milestones not achievable. Project >150% of contingency
Financial	Likely to impact on budget or funded activities. <2% of budget	Some financial loss. Requires monitoring and possible corrective action within existing resources. 2-5% of budget. Readily absorbed costs with effort to minimise impact ($100k-M$1)	Significant financial loss. Impact may be reduced by reallocating resources. Spending is avoided. 5-10% of budget. Additional management intervention and effort required (M$1-M$3)	Major financial loss. Requires significant adjustment to approved/ funded projects/ programs. 10-20% of budget. Critical need for management intervention and effort (M$3-M$7)	Huge financial loss. Significant budget overrun with no capacity to adjust within existing budget/ resources. May attract adverse findings from external regulators or auditors. >20% of budget. Potentially disastrous impact on business or key area (>M$7)
Governance	No noticeable regulatory or statutory impact. Breach of By-law.	Some temporary minor non-compliance that can be rectified. Breach of Regulation.	Medium term non-compliance that can be rectified. Breach of Statute Law.	Non-compliance results in penalties being applied. Breach of Constitutional Law.	Non-compliance results in exposing Council to severe penalties and litigation. Breach of Common Law.
People Safety/ Wellbeing & Culture	First aid injury. Happy, motivated, mostly engaged workforce.	Medical treatment required. Some disengagement from Workplace, some absenteeism. Some levels of dissatisfaction.	Medical treatment involving lost time (<10days). Pockets of disengagement from workplace, patterns of absenteeism and presenteeism.	Medical treatment involving >10 days off work or in hospital. Disengagement is affecting output, people generally not motivated/ apathetic workforce. Absenteeism high.	Death or Permanent Disability.

Mansfield Shire Council **Risk Management Plan**

Risk Category	Negligible	Minor	Moderate	Major	Critical
People Right people attracted, resourced, developed, deployed and retained	No difficulty attracting the right people. Turnover <6%.	Some difficulty attracting the right people, >10 permanent positions vacant. Turnover <8%	Difficult to attract the right people. Some contract staff engaged, >5 permanent positions vacant each week for +3-months. >2 senior roles vacant. Turnover <15%	Using contract staff to fill vacancies long term. Multiple senior roles, <30% of teams missing one employee, >10 permanent positions vacant each week for +6-mths. Turnover <20%	Not attracting staff to roles. All levels of organisation with vacancies - most teams affected (>30% of teams have vacancies). Turnover >20%.
Environment	No or little environmental impact.	Minor environmental damage restricted to immediate area.	Environmental damage restricted to local area.	Environmental damage affecting portion of Shire.	Major environmental disaster significantly affecting Council operations.
Technology and Cyber Security	Minimal, if any, impact to IT systems and no impact on business operations. Easily resolved within minutes with no external impact. No breach of data. No risk to reputation.	<10% of non-critical personnel affected temporarily (short term). Minimal, if any, impact. One or two non-sensitive/non-critical machines affected. No breach of data. Negligible risk to reputation.	20% of personnel unable to work. Small number of non-critical systems affected. Possible breach of small amounts of non-sensitive data. Financial impact greater than $25,000. Low risk to reputation.	50% of personnel unable to work. Non-critical systems affected. Risk of breach of personal or sensitive data. Financial impact greater than $50,000. Potential serious reputational damage. Stakeholder notifications required.	Over 80% of personnel (or several critical staff/teams) unable to work. Critical systems offline. High risk to/definite breach of sensitive client or personal data. Mandatory reporting to regulators Financial impact greater than $100,000. Severe reputational damage – likely to impact business long term.

Mansfield Shire Council **Risk Management Plan**

Risk Category	Negligible	Minor	Moderate	Major	Critical
Risk Aversion	Failure to identify risks involved.	Stakeholders not identified. Risk assessment process not well applied or understood. Risk treatments not identified.	Slow progress because avoiding risk. Avoiding spending. Avoiding decisions.	Opportunities lost for community because risks seen as more significant than the outcome of the project. Not able to identify risk treatments to manage risk.	Progress stopped because Risk considered more important than activity.