

RISK MANAGEMENT PLAN



Brewarrina Shire Council

Updated August 2021

Foreword / Introduction

Brewarrina Shire Council has endorsed and is committed to the implementation of this, the Risk Management Plan.

The Senior Management Team (MANEX) will be the Risk and Audit Committee and set the direction for the management of risk across all service areas operating within the organisation. The management of risk, in conjunction with other management direction, is integral to achieving excellent, sustainable governance and corporate support in the Council's Management Plan.

Council recognises that an organisation without a robust system for managing risks is an organisation at the mercy of uncertainties and lost opportunities. Council is committed to safeguard its position by becoming a proactive organisation that embraces the knowledge of its risks and actively seeks to manage these in quest to become a resilient and dynamic organisation.

It is important that Brewarrina Shire Council is proactive in the implementation of this plan at all levels, commencing with the clear communication from Senior Management to all areas of the organisation that this process is to be embraced by all. This is to be followed by the setting down of the rules and standards to be applied and providing the appropriate level of training and education to ensure they are clearly understood.

The implementation of this Plan will require that each Department examine their activities, identify, assess, and rank risks and develop control strategies to manage the highest priority activities that may potentially hinder the achievement of organisational objectives.

This risk management plan encapsulates the requirements of all staff and I request the continued and ongoing commitment of all staff to the plan.

Jeff Sowiak
General Manager

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1. POLICY STATEMENT

Council is committed to taking a structured and innovative approach to the management of risk throughout the organisation in order to promote and demonstrate good corporate governance, to minimise loss and maximise opportunities to improve service provision.

The Risk Management approach utilised by Council in the form of the Risk Management Plan will be consistent with AS/NZS ISO 31000:2009 and the requirements of WHS legislation and will be incorporated into the planning, governance, management of assets, and operational processes of Council.

2. POLICY OBJECTIVE

- To provide direction and commitment to Risk Management principles as part of Council's management planning, decision making and the undertaking of operational activities.
- To effectively integrate the management of safety and whole of organisation risk into Council's high-level management planning activities to ensure the achievement of its strategic objectives as outlined in the Community Strategic Plan and associated documents. The Risk Management Framework involves risk management being integrated with Council's Integrated Planning and Reporting Structure.
- To apply and incorporate the Risk Management Framework into Council's operational activities and business planning processes.
- To promote an environment of risk awareness and willingness to manage risk at all levels of the organisation.
- To provide opportunities that encourages continuous improvement of the Risk Management Program and at all levels of the organisation.

To ensure, through the application of this Policy:

- That the Council, General Manager and the Senior Management Team are in a position to confidently make informed strategic, project and operational decisions based on Risk Management Principles which includes the management of safety risks to their workers;
- That the requirements of the Office of Local Government's Promoting Better Practice, in relation to the management of risk, are satisfied;
- That all reasonably foreseeable risks are systematically identified, assessed, analysed, prioritised and considered for appropriate treatment with all information documented in Council's electronic risk system which demonstrates practical application of the Officer due diligence requirements in the NSW WHS Act 2011;
- The correct assigning of ownership of risks through appropriate delegation of risk management responsibilities to all Council officers across all functional areas of Council;

- That all relevant legislation is complied with and relevant risk management standards (currently AS/NZS ISO 31000:2009) are used to provide guidance in best risk management practices;
- The effective management and allocation of resources through more targeted and effective controls including those directed towards maintaining or improving safety management;
- Improved protection of the community, our employees and volunteers, our assets and our financial integrity and sustainability;
- The effective communication of this policy through the development of a Risk Management Reporting Framework.

3. SCOPE

This policy applies to all Council workers, operations and activities.
The management of risk is an essential element of good management and impacts on every facet of Council activity.

Risk Management will be applied through the management processes of Council.

The Risk Management Plan shall cover, but not be limited to, the following areas of Council activity:

- Corporate governance
- Work Health and Safety
- General and Legal compliance
- Assets and operations
- Planning and Development
- Human resources
- Information systems
- Financial management
- Project Management
- Contractual Management
- Environmental Management
- Disaster and Emergency Planning

The risks associated with these areas of activity will be identified, analysed and managed by the responsible managers in each of the operational areas of Council, however some major projects or activities may require the allocation of specific resources to the risk management process. **Budget considerations will necessitate the allocation of funds in order of risk priority.**

The Risk Management Plan comprises the Risk Management Policy, supported by various Policy Statements that have been endorsed by Council, and is further supported by documented Procedures, Work Instructions and Checklists and any other documentation necessary for the effective implementation, training, operation and monitoring of the Risk Management Plan within Council.

4. ACCOUNTABILITY AND RESPONSIBILITIES

4.1 Elected Members of Council

- Recognise their responsibilities for making informed decisions that take into consideration the associated risks and opportunities
- Recognise the need to manage risks in order to achieve Council strategic objectives
- Support the adoption of the Risk Management Policy and Plan by the consideration and allocation of appropriate resources for the implementation and maintenance of the plan.
- Demonstrate a commitment to supporting Councils management team managing a safe workplace.

4.2 General Manager

- Is responsible for the establishment of the Risk Management system throughout the organisation.
- Assigns appropriate responsibilities and accountabilities to the Management Team.
- Establishes performance measures and drives the organisations Risk Management objectives
- Lead by example in demonstrating a diligent approach to the management of risk.

4.3 Management Team

- Are responsible for the effective implementation of the Risk Management Plan within their respective departments for their area of responsibility.
- Assign appropriate responsibilities and accountabilities to Managers and individual positions within their directorate and monitor individual performance against the Risk Management objectives.
- Continuously encourage and develop a culture where identifying and treating risks is seen as a significant benefit to the organisation and a measure of good performance.
- Demonstrate the NSW WHS Act 2011 requirements as Officers of Council be demonstrating diligence and reasonably practicable provisions.
- Ensure that significant risks identified are reported to the appropriate Management level in accordance with Council's Reporting Strategy
- Create an environment where managing risk is an accepted and expected part of the day-to-day operations.

4.4 Coordinators, Supervisors and Team Leaders

- Are accountable for managing risk and safety within their area of responsibility.
- Ensure that staff is applying the appropriate risk and safety management tools, procedures and templates in the correct manner.

- Is responsible for providing assistance and advice to staff in relation to the management of risks but not to take on the responsibility of another individual.
- Monitor the respective operational risk profile assessments, determine control measures for risks identified and escalate any significant risks up to management in accordance with the risk matrix guidelines.

4.5 Workers and Volunteers

- Workers and volunteers are responsible for managing risk and a safe workplace within their area of responsibility.
- Are responsible to ensure that documentation is completed correctly, risk assessments are conducted and appropriate control measures implemented to minimise risk.
- Are to ensure that identified high level risks are escalated as required to Managers, Supervisors and Team Leaders.

4.6 Contractors

- Contractors are responsible for managing risk within their contract boundaries.
- Contractors are to provide risk and safety management documentation to the respective responsible Council Contract/Project Manager including identified control measures.
- Council's Project Manager is to ensure risks associated with the engagement of contractors are appropriately identified and managed.
- Council's Project Manager is to ensure the responsibilities and accountabilities vested in the contractor are clearly documented and communicated to the Contractor.
- Identified significant risks are reported to the Council Contract/Project Manager.

4.7 Principal Officer Risk

- Is responsible for maintenance and upkeep of the Risk and Safety Management Policies and Management Plans and other associated Risk Management Program documentation.
- Is responsible for coordinating the activities of the Audit and Risk Committee
- Is responsible for providing assistance and advice to all areas of Council in relation to the management of risks but not to take on the responsibility of another individual.

4.8 The Audit and Risk Committee (MANEX):

- Drive the implementation of Council's Risk Management Policy and associated documents.

Monitor the implementation of the Risk Management Plan and make recommendations for continuous improvement of the Plan

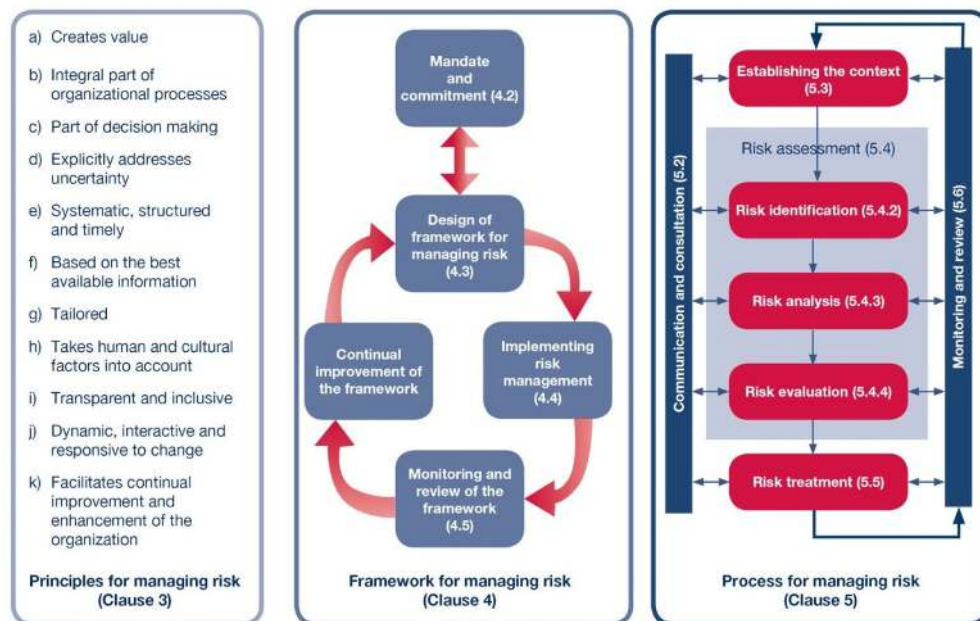
Ensure the Risk Management Plan objectives align with the organisations objectives and values

- Continually monitor the Risk Management Plan and associated document for improvement
- Make recommendations to Council, and provide advice and assistance to all departments and the Executive on issues related to the Risk Management program implementation, compliance and performance
- To make recommendation to Council for recurrent and discretionary allocation of funding for the purpose of managing risks identified as priority in accordance with the Risk Management Plan.

5. THE RISK MANAGEMENT PROCESS

The process adopted by Brewarrina Shire Council to manage risks in the organisation is in accordance with the International Standard for Risk Management, AS/NZS ISO 31000:2009.Risk Management – Principles and guidelines

AS/NZS ISO 31000:2009 PROCESS



Source: AS/NZS ISO 31000 2009: Risk Management – Principles and guidelines

The main elements of the risk management process are the following:

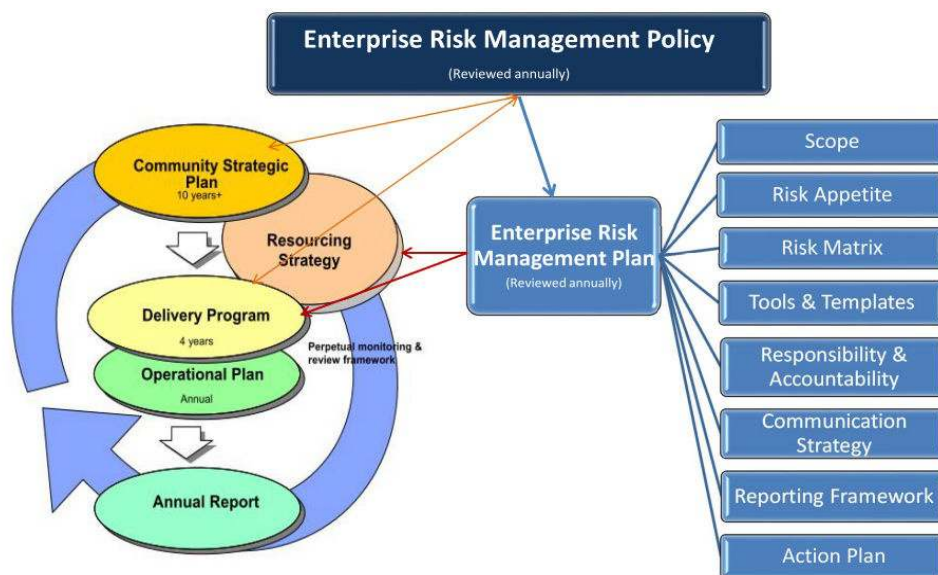
- Communicate and Consult
- Establish the Context
- Identify Risks
- Analyse Risks
- Evaluate Risks
- Treat Risks

- Monitor and Review

6. COUNCIL –CONTEXT AND FRAMEWORK

6.1 The Framework

Brewarrina Shire Council has adopted a risk management framework that works in concert with and makes reference to the Division of Local Government's Integrated Planning and Reporting in applying informed decision making to ensure the achievement of the set objectives.



7. APPLICATION OF THE RISK MANAGEMENT PROCESS

Brewarrina Shire Council has determined that a whole of organisation approach to risk management (i.e. Risk Management Program) is required to effectively and efficiently manage the potential risks faced by Council due to the nature of our operations. This approach will also encourage a better appreciation of the opportunities identified via this process that will assist in the achievement of objectives and sustainability for the future of Council.

This strategic approach is supported by Council and the Senior Management whose commitment will drive the implementation.

Council is to develop a strategic, project and operational risk profile for the whole organisation to identify the current levels of risk facing Council. The risks will then be assessed in accordance with the established methodology detailed in this Plan.

Council's aim is to:

- Identify those risks that can potentially impact on the achievement of Strategic objectives;

- Identify those key Operational risks that are inherent in the main functions performed by the organisation;
- Develop and maintain a (common) Risk Register for risk identified for specific, one-off or new projects;
- Establish a culture where individual activities are risk assessed as part of every function performed.

To initiate the development of a risk profile for the whole organisation a workshop has been facilitated to identify the key safety, strategic, operational risks that can potentially impact Council achieving its overall strategic objectives.

Risk assessments will need to be conducted to identify the organisations operational risks and where required for particular activities and projects that Council or groups on behalf of Council undertake. This includes such activities as operational tasks, public events, contractual arrangements and any function where the conditions or situation or nature of that task may introduce different risks.

Risk assessments shall become commonplace in all activities of Council as a powerful aid in the decision making process.

This Plan will drive the integration of the risk management process throughout the organisation.

7.1 Implementing the Plan

The successful implementation of this Plan is crucial to the success of the Risk Management Program initiative.

A specific risk assessment has been conducted to identify all potential issues that may affect its implementation. Subsequently appropriate controls will be implemented to achieve a successful integration. The risk assessment for the implementation of the Risk Management Plan is an addendum to this Plan.

The method for identifying and analysing risks will be in accordance with AS/NZS ISO 31000 2009 for Risk Management, using the qualitative method (i.e. for determine the respective likelihood and consequence of each identified risk) in particular its relationships to hazards that workers are exposed to in the workplace.

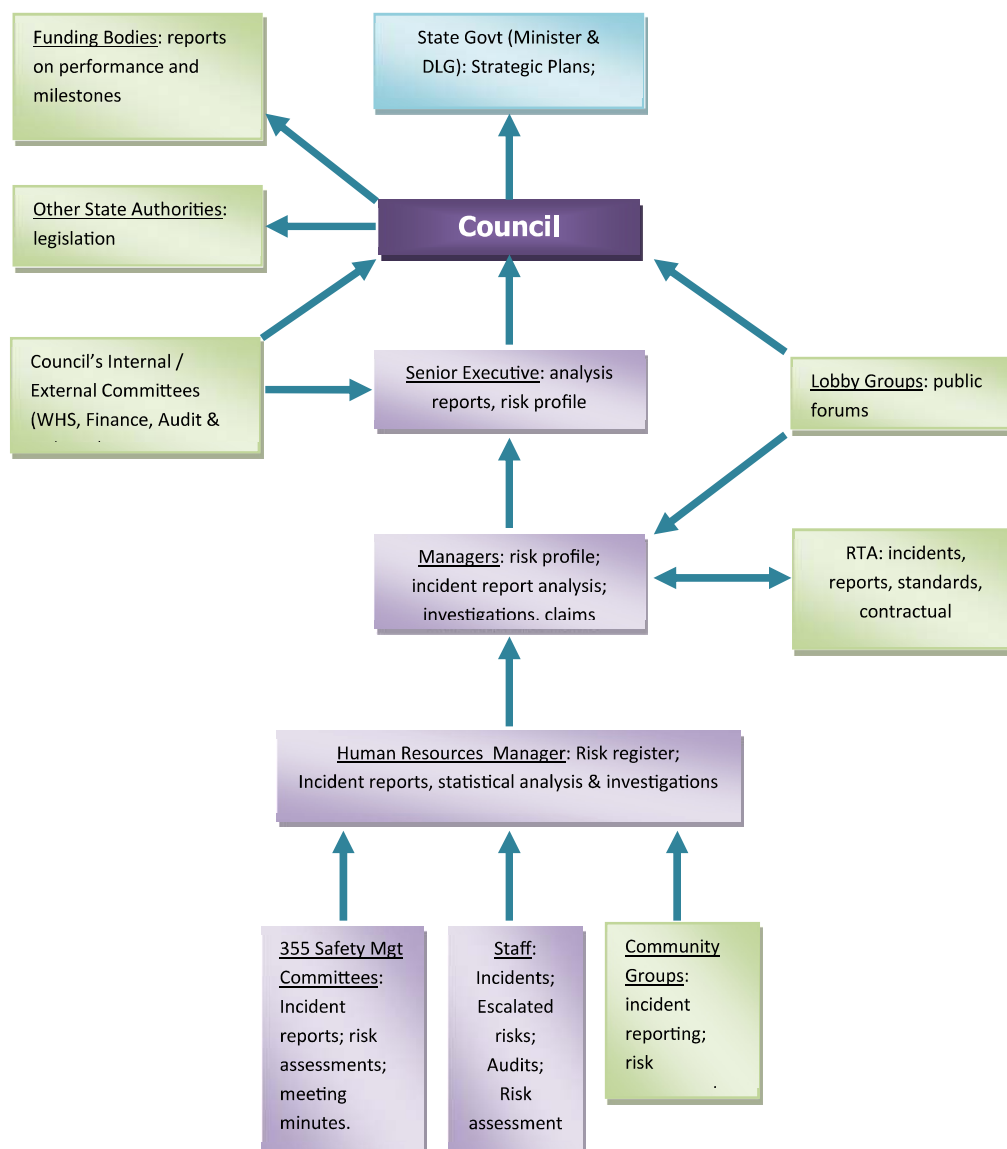
7.2 Communication and Consultation

Communication and consultation is crucial to the management of risk and a key requirement of the NSW WHS Act 2011. Being able to effectively communicate and know when to consult is essential not only to avoid negative outcomes later in the process but also because it can bring a wealth of information not previously considered.

7.2.1 Risk Reporting Strategy

Effective management of risk within an organisation also depends on the effectiveness of its reporting mechanisms.

Various stakeholders may influence or may be directly or indirectly affected by risk management decisions made by Council. Similarly, Council may be affected, be influenced, or have the ability to influence directly or indirectly decisions and or actions taken by these stakeholders. The requirements for reporting, both internally and externally is illustrated in the following diagram:



7.2.2 Risk Identification and Assessment

Identification and assessment of risks will be conducted by using the risk assessment template and guidance documentation provided as part of this Plan. It outlines the parameters and the how-to of the process.

Guidance/ training will also be provided by the Risk and Audit Committee and Risk Coordinator to all staff.

To achieve this, Council will apply the following parameters established by the organisation:

- Identify hazards and risks in accordance with the scope set out in the adopted Risk Management Policy;

- Collect risk data using the agreed Risk Assessment template (or JRS) (refer to appendix 1 for a Brewarrina Shire);
- Assess identified risks
- Evaluate identified risks;
- Determine appropriate treatment strategies where necessary;
- Develop a treatment / corrective or preventative action plan to implement treatment options.

7.2.3 Consequence Descriptors

The types of risk exposures faced by Council established in the scope of this plan and the Council's Risk Management Policy, context and structure.

The descriptors include such risk exposures as:

- Workplace Health & Safety (WHS)
- Environment;
- Financial
- Professional Indemnity;
- Public Liability;
- Property & Infrastructure;
- Information Technology;
- Industrial Relations;
- Natural Hazards;
- Political and Governance
- Contractual and Legal
- Reputation
- Positive Consequences

(As per PWC agreed descriptors)

The definitions of these descriptors are found in appendix 4 of this document.

7.2.4 Likelihood Descriptors

The table below assists in defining the likelihood or probability of a risk manifesting, given the right conditions.

The descriptors for 'Likelihood' relate to any of the above exposures:

Likelihood	Description	Indicative Frequency
Almost Certain	The event will occur on an annual basis	Once an year or more frequent
Likely	The event has occurred several times in your career	Once every three years
Possible	The event might occur once in your career	Once every ten years
Unlikely	Event does occur somewhere from time to time	Once every 30 years
Rare	Heard of it occurring elsewhere	Once every 100 years

(As per PWC agreed descriptors)

7.2.5 Risk Matrix

The method for identifying and analysing risks will be in accordance with AS/NZS ISO 31000 2009 for Risk Management, using the qualitative method of likelihood and consequence.

Risks will be identified by using the adopted risk matrix indicating the likelihood and consequence of that risk. The types of risk exposures have been selected and adopted by Council and these sit behind the consequence levels shown on the matrix table. A more detailed definition for likelihood and consequences is found in appendix 4 of this document.

The risk matrix adopted by Council is as follows:

		Consequences				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood	Almost Certain	Medium	Medium	High	Very High	Very High
	Likely	Medium	Medium	High	High	Very High
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Medium	Medium	Medium

7.2.6 Risk Evaluation

This stage is achieved by establishing the Level of Risk rating that results from the selected Likelihood and Consequence level for that particular risk.

The result will be; LOW, MEDIUM, HIGH or VERY HIGH in line with Council's adopted risk matrix illustrated above at 7.2.5.

7.3 Treatment Strategies

Depending on the severity of the risk/s Council will decide appropriate Treatment strategies or control measures which will be in accordance with the agreed level of corrective actions as stated in the following table.

7.3.1 Corrective Action

Corrective action for the different Level of Risk ratings has been agreed as follows:

Risk Level	Action Required
Very High	<ul style="list-style-type: none"> This risk level is Unacceptable Develop specific Treatment Plan for immediate implementation to address the Very High risks Allocate actions and budget for implementation within one month Report immediately to Senior Management; regular internal reporting required
High	<ul style="list-style-type: none"> Develop and implement a specific Treatment Plan for high risks Allocate actions and budget to minimise risk; monitor implementation Report to Senior Management within one month; regular internal reporting required
Medium	<ul style="list-style-type: none"> Develop and implement a specific Treatment Plan for medium risks Allocate actions and budget to minimise risk where existing controls deemed inadequate; monitor implementation Report to Senior Management within the quarter; Management to consider additional controls; report within the quarter
Low	<ul style="list-style-type: none"> Accept and Monitor low-priority risks Manage via routine procedures where possible; Monitor via normal internal reporting mechanisms

Council staff must ensure that risks that are rated High or Very High are referred to the appropriate management level to determine the appropriate treatments/controls required to manage control or mitigate the risk.

For the day-to-day functions of Council, when looking at treatments/ controls staff should always consider:

- Conducting a fault analysis to determine the core or root cause of the issue that has led or can lead to a risk;
- The review of existing processes and procedures;
- The development of procedures where none exist;
- Educating staff that are affected by the procedures

7.3.2 Risk Tolerance/Appetite

How much risk council is willing to accept will vary with each circumstance? Staff must be aware that there are risks Council will NOT be prepared to accept and as such, it is important to identify these and follow appropriate protocol.

Risk levels that are NOT ACCEPTABLE by Council are those risks where:

- Any reasonable preventable accident/incident resulting in the loss of life or serious injury
- Any reasonable preventable incident that will threaten the provision of critical services and the well-being of the community.
- Any reasonable preventable activity that will cause extensive endangerment or will cause long term permanent damage to the Environment.

- Any reasonable preventable activity that will disrupt normal business activities and/or cause major damage to reputation.
- Any reasonable activity that will cause Council significant financial loss.

7.3.3 Risk Transference / Sharing

Council acknowledges that some risks are outside the control of Council and as such, one of the strategies adopted is that of Risk Transference through:

- Obtaining adequate levels of insurance against (list your insurances);
- Contractual agreements with joint venture partners.

7.3.4 Emergency Preparedness and Business Interruption Arrangements

Council's emergency plans and procedures and Business Continuity Plan should be regularly reviewed and updated. The Audit and Risk Committee is to determine when and how a review is to take place and recommend appropriate action in order to ensure these documents are always current to serve the needs of the organisation at a moment's notice.

7.4 Treatment/Action Plan

Any required treatment will have a plan that outlines:

- The required action;
- The activities to achieve that action if various required;
- The person accountable for implementing the action;
- The timeframe for implementing the action;
- A reporting requirements on the progress of the implementation

A template for the action plan is found at appendix 3 of this document.

8. IMPLEMENTATION OF THE RISK MANAGEMENT PLAN

The methodology adopted within the Risk Management plan will be applied to all areas of council, both operational and strategic levels.

The plan itself and its implementation will be coordinated and monitored by the Audit and Risk Committee (MANEX).

The Risk and Audit Committee has the authority of the General Manager and Senior Management to implement the plan and will seek the cooperation of all staff and support of all team leaders, managers and directors to effectively achieve this.

Whilst the HR Manager is the lead coordinator, all members of the R&AC will assist in the implementation process.

The Audit and Risk Committee will provide initial and ongoing training and support to all staff and comments during and after the implementation process are encouraged and will be sought. To achieve this, a Risk Management Implementation (Action) Plan has been developed.



9. MONITOR AND REVIEW

As part of continuous improvement, this Plan shall be reviewed annually by the Risk and Audit Committee to ensure that it is meeting the requirements and achieving its intended objective. This is a living document that will continually evolve in accordance with the changing needs of Council and its strategy for managing risk.

There are various areas that will require monitoring during the implementation process and ongoing as the management of risk becomes embedded in the Council's culture, management planning, decision-making and overall processes.

Monitoring in respect of this project relates not only to meeting deadlines but also more importantly, to ensuring the processes implemented are:

- effective,
- being implemented by all staff;
- addressing, managing and controlling potential risks;
- achieving the objectives of this plan; and
- Ensuring Council can meet its strategic objectives.

Monitoring in respect of general activities of council will be done two ways:

- through the implementation of risk and safety management related documentation in processes and the reporting framework established for risks identified; and
- The Risk and Audit Committee developing a monitoring tool/process to ensure the required risk and safety management activities are taking place. Outcomes are discussed at meetings

9.1 Monitoring of the Implementation of the Risk Management Action Plan

This is the actual integration of within the organisation. This Action Plan involves key actions to be undertaken in order to embed the processes into the organisation to become part of the way things are done.

The Action Plan implementation will be monitored by the Audit & Risk Committee for:

- Timely implementation;
- The effectiveness of the prescribed actions;
- Active support and participation by Management within their areas of responsibilities;
- Any delays and associated reason;
- Any improvement required.

The Audit & Risk Committee will carry out this review and regularly report on the progress.

10. APPENDICES

Appendix No.	Name
1	Risk Assessment Template Form
2	Quick Guidelines for conducting a Risk Assessment
3	Template for the Treatment/Action Plan
4	Risk Assessment Matrix and Corrective Action Table
5	Consequence and Likelihood Descriptors
6	Glossary of Common Risk Management Terms
7	Associated Council Policies and Documents

Appendix 1 Risk Assessment Template Form

[illegible]

Appendix 2 Quick Guidelines for conducting a Risk Assessment

The following guideline will assist in determining what information needs to be entered into each section of the Risk Assessment form is detailed below:

Column	Explanation
Function/ Activity	What activity or task are you performing? Make sure you use the main key tasks to assess. Example of an activity or task could be; hiring equipment, road maintenance on gravel road, vehicle purchase, etc.
Risk (What can happen)	<p>Now that you have the activity list, you can start asking the questions: <i>"what can happen that will affect the job? What can go wrong?"</i></p> <p>These will be things that will have an impact on the activity if they do occur. For example, you are short of material to complete the patching, the presentation may not work due to a faulty PC or electrical wiring, the purchase vehicle may not arrive on time, heavy lifting may cause injury to worker due to tools not being available, etc</p>
Risk Category	Refers to the type of risk to the organisation; is it Public Liability? OHS? Environmental? Refer to the list of risk categories in this document
Impact of an incident happening	<p>Now you need to refer to the Risk Rating Matrix attached to the form.</p> <p><u>Likelihood</u> – What are the chances of the consequence identified above happening? It could be Rare through to Almost Certain. Write the appropriate level in the Likelihood box.</p> <p><u>Consequence</u> – Look at the "Consequences" columns on the Matrix. There are many categories of risk that could apply to each activity. Not all risk categories may be relevant, but more than one often is. You need to determine the possible consequences of the activity you are analysing. Once you have decided on the consequences, go down the column and select the matching rating from Insignificant to Catastrophic. Write the appropriate level in the 'Consequence' box. An activity may fit into several categories of consequences, e.g. it may have Health & Safety consequences as well as Legal consequences. Each will need to be listed and rated separately.</p> <p><u>Evaluating</u> – To calculate the Risk Rating, place your finger on the Matrix and where the Consequence and Likelihood levels meet, this will be the risk rating for that particular risk. For example, a Consequence of <i>Major</i> and a Likelihood of <i>Possible</i> will give a HIGH rating. Write the rating in the Rating box.</p>

Column	Explanation
Controls- What controls exist or can be implemented to manage the situation?	<p>A "control" or "treatment" is what you do to reduce or eliminate the risk you have identified and rated. For example, have someone ready to assist with the lifting of a heavy object in accordance with adopted SWMS, have a competent person check details before approving a Certificate, and use a qualified (verified) electrician to check the wiring of the building.</p> <p>To know what to do as a result of each rating, refer to the 'Corrective Action' table on appendix 5. This is very important, especially for any High or Extreme risk. The effectiveness of your controls is determined by how much the risk is reduced or eliminated. After the controls are in place, there should not be any risks that are still rated High. If there are, you must bring this to the attention of your manager/supervisor to confirm what further action can be taken.</p>
Adjusted Rating taking into account the controls	<p>Once you have determined the controls to be implemented, you need to re-assess the risk. Has there been an acceptable reduction in risk? If yes, great. If not, in respect of High ratings follow this up with your manager/supervisor.</p>
Residual Priority Rating	<p>This is the final rating of the risk; the higher the number the higher the risk and the higher the priority for action. Refer to the Corrective Action table to determine what needs to be done.</p>

Appendix 4 Consequence and Likelihood Descriptors

Consequence Descriptors as adopted by Brewarrina Shire Council

CONSEQUENCE					
Category	Insignificant	Minor	Moderate	Major	Catastrophic
Environment	Minimal environmental impact; isolated release only	Minor environmental impact; on-site release immediately controlled	Significant environmental impact; on-site release contained with assistance	Major environmental impact; release spreading off-site; contained with external assistance	Fatalities occur; extensive release off-site; requires long term remediation
Financial	Negligible financial loss (\$10,000), no impact on program or business operation	Minor financial loss (\$10,000-\$50,000); minimal impact on program or business operation	Significant financial loss (\$50,000-\$500,000); considerable impact on program or business operations	Major financial loss (\$500,000- \$1M); severe impact on program or business operation	Extensive financial loss (\$1M+); loss of program or business operation
OHS	First aid only required	Minor medical treatment with or without potential for lost time.	Significant injury involving medical treatment or hospitalisation and lost time	Individual fatality or serious long term injury	Multiple fatalities or extensive long term injury
Professional Indemnity	Isolated, internal or minimal complaint; minimal loss to organisation	Contain complaint or action with short term significance; medium loss to organisation	Significant complaint involving statutory authority or investigation; prosecution possible with significant loss to organisation	Major complaint with litigation and long term significance; very high loss to organisation	Extensive litigation with possible class action; worst case loss to organisation; threat to viability of program or service.
Public Liability	First aid only required; minimal loss to organisation	Some medical treatment required; medium loss to organisation	Significant injury involving medical treatment or hospitalisation; high loss to organisation	Severe injuries or individual fatality; very high loss to organisation	Multiple fatalities or extensive long term injuries; worst case loss to organisation
Property & Infrastructure	Isolated or minimal loss; short term impact; repairable through normal operations	Minor loss with limited downtime; short term impact; mostly repairable through normal operations	Significant loss with temporary disruption of services; medium term impact on organisation	Critical loss or event requiring replacement or property or infrastructure; long term impact on organisation	Disaster with extensive loss and long term consequences; threat to viability of service or operation
Reputation	Isolated, internal or minimal adverse attention or complaint	Heightened local community concern or criticism	Significant public criticism with or without media attention	Serious public or media outcry, broad media attention	Extensive public outcry; potential national media attention

CONSEQUENCE					
Category	Insignificant	Minor	Moderate	Major	Catastrophic
Natural Hazards	Minimal physical or environmental impact; isolated hazard only; dealt with through normal operations	Minor physical or environmental impact; hazards immediately controlled with local resources	Significant physical or environmental impact; hazards contained with assistance of external resources	Major physical or environmental impact; hazard extending off-site; external services required to manage	Extensive physical or environmental impact extending off-site; managed by external services; long term remediation required
Information Technology	No measurable operational impact to organisation	Minor downtime or outage in single area of organisation; addressed with local management and resources	Significant downtime or outage in multiple areas of organisation; substantial management required and local resources	Loss of critical functions across multiple areas of organisation; long term outage; extensive management required and extensive resources	Extensive and total loss of functions across organisation; disaster management required
Political and Governance	Isolated non-compliance or breach; minimal failure of internal controls managed by normal operations	Contained non-compliance or breach with short term significance; some impact on normal operations	Serious breach involving statutory authorities or investigation; significant failure of internal controls; adverse publicity at local level	Major breach with formal inquiry; critical failure of internal controls; widespread adverse publicity	Extensive breach involving multiple individuals; potential litigation; viability of organisation threatened
Industrial Relations	Isolated, internal or minimal impact on staff morale or performance; minimal loss to organisation	Contained impact on staff morale or performance of short term significance; medium loss to organisation	Significant impact on staff morale or performance of medium term significance; significant loss to organisation	Major impact on staff morale or performance with long term significance; very high loss to organisation	Extensive impact or organisational morale or performance; threat to viability or program or service
Contractual and Legal	Isolated non-compliance or breach; negligible financial impact	Contained non-compliance or breach with short term significance and minor financial impact	Serious breach involving statutory authority or investigation; prosecution possible with significant financial impact	Major breach with fines and litigation; long term significance and major financial impact	Extensive fines and litigation with possible class action; threat to viability of program or service.
Positive Consequences	Small benefit, low financial gain.	Small benefit, low financial gain.	Some enhancement to reputation, high financial gain.	Enhanced reputation, major financial gain.	Significantly enhanced reputation, huge financial gain.

Likelihood Descriptors

Likelihood	Description	Indicative Frequency
Almost Certain	The event will occur on an annual basis	Once an year or more frequent
Likely	The event has occurred several times in your career	Once every three years
Possible	The event might occur once in your career	Once every ten years
Unlikely	Event does occur somewhere from time to time	Once every 30 years
Rare	Heard of it occurring elsewhere	Once every 100 years

Appendix 5 Risk Assessment Matrix and Corrective Action Table

Risk Matrix:

		Consequences				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood	Almost Certain	Medium	Medium	High	Very High	Very High
	Likely	Medium	Medium	High	High	Very High
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Medium	Medium	Medium

Corrective Action:

Risk Level	Action Required
Very High	<ul style="list-style-type: none"> This risk level is Unacceptable Develop specific Treatment Plan for immediate implementation to address extreme risks Allocate actions and budget for implementation within one month Report immediately to Senior Management; regular internal reporting required
High	<ul style="list-style-type: none"> Develop and implement a specific Treatment Plan for high risks Allocate actions and budget to minimise risk; monitor implementation Report to Senior Management within one month; regular internal reporting required
Medium	<ul style="list-style-type: none"> Develop and implement a specific Treatment Plan for medium risks Allocate actions and budget to minimise risk where existing controls deemed inadequate; monitor implementation Report to Senior Management within the quarter; Management to consider additional controls; report within the quarter
Low	<ul style="list-style-type: none"> Accept and Monitor low-priority risks Manage via routine procedures where possible; Monitor via normal internal reporting mechanisms

Appendix 6 Glossary of Common Risk Management Terms

Residual risk

The remaining level of risk after risk treatment measures have been taken into account.

Risk

The chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood

Risk acceptance

An informed decision to accept the consequences and the likelihood of a particular risk.

Risk analysis

A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.

Risk assessment

The overall process of risk analysis and risk evaluation.

Risk control

That part of risk management which involves the implementation of policies, standards, procedures and physical changes to eliminate or minimise adverse risks.

Risk evaluation

The process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria.

Risk identification

The process of defining what can happen, why and how.

Risk management

The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.

Risk management process

The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

Risk treatment

Selection and implementation of appropriate options for dealing with risk.

Appendix 7 Associated Council Policies and Documents

This document is relevant and related to the following council documents:

- Risk Management Policy
- Risk Management Framework
- Risk Management Communication Strategy
- Risk Management Implementation Risk Assessment
- Risk Management Implementation Action Plan
- Risk Management Tools and templates
- Risk Profiles – both strategic and operational
- Risk Register/s
- Specific Risk Management Procedures
- WHS policy and procedures

This document and any of the abovementioned documents when reviewed should be cross-referenced to ensure all relevant details are updated concurrently.