



# COMMITTEE AGENDA

## **Audit Committee**

Notice is hereby given pursuant to the provisions of the Local Government Act, 1999, that the next Meeting of the Audit Committee will be held in the Council Chambers, 181 Unley Road Unley on

***Tuesday 10 December 2019 6.30pm***

for the purpose of considering the items included on the Agenda.

**Chief Executive Officer**



## **MEMBERS**

Presiding Member D Powell (Presiding Member)  
Councillor K. Anastassiadis  
Councillor M. Broniecki  
Independent Member N Handley  
Independent Member A Martin

## **ACKNOWLEDGEMENT**

We would like to acknowledge this land that we meet on today is the traditional lands for the Kaurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kaurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kaurna people today.

## **ORDER OF BUSINESS**

<b>ITEM</b>	<b>PAGE NO</b>
<b>1. ADMINISTRATIVE MATTERS</b>	
<b>1.1 APOLOGIES</b> Nil	
<b>1.2 LEAVE OF ABSENCE</b> Nil	
<b>1.3 CONFLICT OF INTEREST</b> <i>Members to advise if they have any material, actual or perceived conflict of interest in any Items in this Agenda and a Conflict of Interest Disclosure Form (attached) is to be submitted.</i>	
<b>1.4 MINUTES</b>  1.4.1 Minutes of the Ordinary Audit Committee Meeting held Monday, 11 November 2019	
<b>1.5 DEFERRED / ADJOURNED ITEMS</b> Nil	
<b>2. REPORTS</b>	
2.1 2020 Audit Committee Meeting Schedule	5
2.2 Audit Committee Workplan - 2020	9
2.3 Revised Risk Management Policy	15
2.4 Strategic Risk Register	46
2.5 Fraud and Corruption Prevention Policy Review	59
<b>3. OTHER BUSINESS</b>	

## **NEXT MEETING**

## DECISION REPORT

**REPORT TITLE:** 2020 AUDIT COMMITTEE MEETING SCHEDULE  
**ITEM NUMBER:** 2.1  
**DATE OF MEETING:** 10 DECEMBER 2019  
**AUTHOR:** LIDA CATALDI  
**JOB TITLE:** PRINCIPAL RISK MANAGEMENT OFFICER  
**ATTACHMENTS:** NIL

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### 1. **EXECUTIVE SUMMARY**

The Audit Committee is established pursuant to Sections 41 and 126 of the *Local Government Act 1999*.

The Audit Committee's Terms of Reference require that the Committee meet at least four times per year at appropriate times in the financial reporting cycle.

This report provides the proposed meeting dates for the 2020 calendar year for consideration of the Committee and recommendation to Council for endorsement.

### 2. **RECOMMENDATION**

That:

1. The report be received.
2. During 2020 the Audit Committee of the City of Unley will meet at 181 Unley Road Unley at 6.30pm on the dates set out below:
  - Tuesday 11 February 2020
  - Tuesday 12 May 2020
  - Tuesday 18 August 2020
  - Tuesday 13 October 2020 (Financial Statements Only)
  - Tuesday 8 December 2020
3. The Chief Executive Officer be authorised, after consulting with the Presiding Member of the Committee, to:

- 3.1 Reschedule the date and/or time of an Audit Committee meeting; or
  - 3.2 Cancel an Audit Committee meeting, if it is clear that there is no business to transact for that designated meeting.
- 

### **3. RELEVANT CORE STRATEGIES/POLICIES**

#### 4. Civic Leadership

4.1 We have strong leadership and governance.

### **4. DISCUSSION**

The Audit Committee's terms of reference state that the Committee is required to meet at least four times a year at appropriate times in the financial reporting cycle, and when the Committee may otherwise deem necessary.

Consultation of the proposed meeting dates has been undertaken with relevant staff to ensure they align appropriately with the financial reporting cycle requirements. In addition, the schedule of other meetings of Council and Committees has been considered to seek to minimise any conflict with other meetings.

Discussions were held with the Audit Committee at its meeting on 11 November 2019 which identified a preference for five meetings during 2020, with one meeting dedicated to consideration of the Financial Statements. Having regard to all of the above, five meeting dates for the Audit Committee have been proposed for 2020.

### **5. ANALYSIS OF OPTIONS**

#### Option 1

1. The report be received.
2. During 2020 the Audit Committee of the City of Unley will meet at 181 Unley Road Unley at 6.30pm on the dates set out below:

Tuesday 11 February 2020

Tuesday 12 May 2020

Tuesday 18 August 2020

Tuesday 13 October 2020 (Financial Statements Only)

Tuesday 8 December 2020

3. The Chief Executive Officer be authorised, after consulting with the Presiding Member of the Committee, to:
  - 3.1 Reschedule the date and/or time of an Audit Committee meeting; or
  - 3.2 Cancel an Audit Committee meeting, if it is clear that there is no business to transact for that designated meeting.

Option 2 –

1. The report be received.
2. During 2020 the Audit Committee of the City of Unley will meet at 181 Unley Road Unley at 6.30pm on the dates set out below:

[insert alternative dates]
3. The Chief Executive Officer be authorised, after consulting with the Presiding Member of the Committee, to:
  - 3.1 Reschedule the date and/or time of an Audit Committee meeting; or
  - 3.2 Cancel an Audit Committee meeting, if it is clear that there is no business to transact for that designated meeting.

The Committee may wish to propose alternative dates for the Audit Committee to convene in 2020. This option provides for this circumstance.

Option 3 –

1. The report be received.
2. The Audit Committee of the City of Unley will meet at 181 Unley Road Unley at 6.30pm on 11 February 2020.
3. Taking into account any existing Council and Committee meetings scheduled for 2020, a revised Audit Committee Meeting Schedule for a minimum of four meetings be prepared and presented to the 11 February 2020 meeting for consideration.

In the event that the Committee wishes to identify alternative meeting dates, a further Option would be to confirm the 11 February 2020 meeting date and request a revised meeting schedule be submitted to that meeting. This approach would allow for consideration of other Council/Committee meetings prior to determining the Audit Committee meeting schedule, to avoid any scheduling conflict.

**6. RECOMMENDED OPTION**

Option 1 is the recommended option.

**7. POLICY IMPLICATIONS**

**7.1 Legislative/Risk Management**

7.1.1 Notice of meetings of the Committee will be given in accordance with sections 87 and 88 of the *Local Government Act 1999*.

7.1.2 The agenda and reports for all meetings of the Committee must be delivered to members of the Committee as least 3 clear days before the meeting.

**8. REPORT CONSULTATION**

The proposed meeting dates have been consulted with relevant staff to ensure they fit within the financial reporting cycle requirements.

**9. REPORT AUTHORISERS**

<b>Name</b>	<b>Title</b>
Tami Norman	Executive Manager, Office of the CEO

## DECISION REPORT

**REPORT TITLE:** AUDIT COMMITTEE WORKPLAN - 2020  
**ITEM NUMBER:** 2.2  
**DATE OF MEETING:** 10 DECEMBER 2019  
**AUTHOR:** LIDA CATALDI  
**JOB TITLE:** PRINCIPAL RISK MANAGEMENT OFFICER  
**ATTACHMENTS:** 1. AUDIT COMMITTEE WORKPLAN 2020

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### 1. **EXECUTIVE SUMMARY**

This report provides the Audit Committee with a draft Workplan for the 2020 calendar year.

### 2. **RECOMMENDATION**

That:

1. The report be received.
  2. The Audit Committee Workplan as set out in Attachment 1 to this report (Item 2.2, Audit Committee Meeting, 10/12/2019) be adopted.
- 

### 3. **RELEVANT CORE STRATEGIES/POLICIES**

4. Civic Leadership
  - 4.1 We have strong leadership and governance.
  - 4.3 Our business systems are effective and transparent.

### 4. **BACKGROUND**

The Audit Committee's function is to monitor the risk management and internal control environment of Council operations. The Audit Committee also has the responsibility to oversee Council's internal and statutory audit responsibilities and functions as set out under section 126 of the *Local Government Act 1999*.

The Audit Committee's Work Plan has been developed to set out activities for the 2020 calendar year. It will be monitored and updated at each meeting, to ensure the Committee delivers its role as set out in the Audit Committee Terms of Reference.

## 5. **DISCUSSION**

Under the Committee's terms of reference, the Audit Committee has an important independent role in assisting the Council in monitoring the following areas:

- Financial Reporting and Sustainability
- Risk Management and Internal Control
- Internal Audit and Compliance
- External Audit
- Governance

The proposed workplan has been developed to include activities across these areas, with activities timed to align with the financial reporting framework and the planned meetings of the Committee. This document will assist with the preparation of the annual report of the Presiding Member of the Audit Committee to Council.

A copy of the proposed workplan is provided as Attachment 1 to this Report.

*Attachment 1*

Feedback from the Committee on the proposed workplan is sought.

## 6. **ANALYSIS OF OPTIONS**

### Option 1 –

1. The Report be received.
2. The Audit Committee Workplan as set out in Attachment 1 to this report (Item 2.2, Audit Committee, 10/12/2019) be adopted.

The proposed Audit Committee work plan has been developed to assist the Audit Committee fulfil its responsibilities as outlined within the terms of reference for the Committee.

### Option 2 –

1. The Report be received.
2. Subject to the amendments set out below, the Audit Committee Workplan as set out in Attachment 1 to this report (Item 2.2, Audit Committee, 10/12/2019) be adopted.

2.1. Insert amendments required

The Committee may wish to request amendments to the Workplan and include these in the recommendation to Council for endorsement. If this is the case, the amendments should be articulated as part of the resolution. This Option provides the relevant wording to enable the Committee to articulate any changes required to the Workplan, and to recommend these be incorporated by Council at the time it adopts the revised Audit Committee Workplan.

Option 3 –

1. The Report be received.
2. The Audit Committee Workplan as set out in Attachment 1 to this report (Item 2.2, Audit Committee Meeting, 10/12/2019) be further amended and returned to the Audit Committee for review.

The Committee may consider that further work is required to the Workplan. This Option requests further development of the documents and that they be returned to the Audit Committee at the next meeting.

7. **RECOMMENDED OPTION**

Option 1 is the recommended option.

8. **REPORT CONSULTATION**

Audit Committee Workplan has been developed in consultation with relevant staff.

9. **REPORT AUTHORISERS**

<b>Name</b>	<b>Title</b>
Nicola Tinning	General Manager, Business Support & Improvement



<b>Audit Committee Work Plan - 2020</b>	
<b>Meeting Dates</b>	<b><u>PAST</u> Agenda Items</b>
2 July 2019	<ul style="list-style-type: none"> <li>· Appointment of Deputy Presiding Member – Audit Committee (<i>Resolution No. AC0002/19</i>)</li> <li>· 2018-2019 External Audit Plan (<i>Resolution No. AC0003/19</i>)</li> <li>· Strategic Risk Register (<i>Resolution No. AC0004/19</i>)</li> <li>· Internal Financial Controls – Self Assessment 2018/2019 (<i>Resolution No. AC0005/19</i>)</li> <li>· Procurement Savings/Overruns – Q4 2018/2019 (<i>Resolution No. AC0006/19</i>)</li> </ul>
11 November 2019	<ul style="list-style-type: none"> <li>· Fraud and Corruption Prevention Policy Review (<i>Resolution No. AC0009/19</i>)</li> <li>· Revised Risk Management Policy (<i>Resolution No. AC0010/19</i>)</li> <li>· 2018-2019 General Purpose Financial Statements (<i>Resolution No. AC0008/19</i>)</li> <li>· Procurement Saving identified (<i>Resolution No. AC0011/19</i>)</li> </ul>
<b>Meeting Dates</b>	<b><u>CURRENT</u> Agenda Items</b>
10 December 2019	<ul style="list-style-type: none"> <li>· Fraud and Corruption Prevention Policy Review</li> <li>· Revised Risk Management Policy</li> <li>· Strategic Risk Register (Review update)</li> <li>· Audit Committee meeting dates for 2020</li> <li>· Audit Committee Work Plan</li> </ul>
<b>Meeting Dates</b>	<b><u>FUTURE</u> Agenda Items</b>
11 February 2020	<ul style="list-style-type: none"> <li>· Strategic Risk Register (Quarterly Review update)</li> <li>· Review of the LTFP and Targets</li> <li>· Procurement Policy and (Framework)</li> <li>· Asset Management Plan – (Work Plan/Schedule to address issues)</li> <li>· LGA MLS Risk Review</li> <li>· Internal Audit Plan</li> <li>· Progress report from Internal Control Assessment 2018-19</li> <li>· Audit Committee Work Plan</li> </ul>

Meeting Dates	<u>FUTURE</u> Agenda Items
	<b>March 2020</b> – Report from Chair of Audit Committee to Council
12 May 2020	<ul style="list-style-type: none"> <li>· Strategic Risk <b>Register</b> (Quarterly Review update)</li> <li>· 2020-21 Annual Business Plan and Budget (consultation)</li> <li>· Audit Committee Work Plan</li> <li>· Organisational Risk Register</li> <li>· Any completed internal audit reports</li> <li>· Agreed actions status update – from internal and external audit recommendations</li> <li>· Brown Hill Keswick Creeks subsidiary (Presentation) – <i>to be confirmed</i></li> <li>· Centennial Park Cemetery Authority subsidiary (Presentation) – <i>to be confirmed</i></li> </ul>
18 August 2020	<ul style="list-style-type: none"> <li>· Internal Financial Controls – Self Assessment Report FY19/20</li> <li>· Strategic Risk Register (Quarterly Review update)</li> <li>· External Audit – Interim Report</li> <li>· Audit Committee Work Plan</li> </ul>
13 October 2020	<ul style="list-style-type: none"> <li>· Financial Statements FY19/20</li> </ul>
8 December 2020	<ul style="list-style-type: none"> <li>· Strategic Risk Register (Quarterly Review update)</li> <li>· Organisational Risk Register</li> <li>· Any completed internal audit reports</li> <li>· Agreed actions status update – from internal and external audit recommendations</li> <li>· Audit Committee Work Plan</li> </ul>

## DECISION REPORT

<b>REPORT TITLE:</b>	REVISED RISK MANAGEMENT POLICY
<b>ITEM NUMBER:</b>	2.3
<b>DATE OF MEETING:</b>	10 DECEMBER 2019
<b>AUTHOR:</b>	LIDA CATALDI
<b>JOB TITLE:</b>	PRINCIPAL RISK MANAGEMENT OFFICER
<b>ATTACHMENTS:</b>	1. REVISED RISK MANAGEMENT POLICY 2. RISK MANAGEMENT FRAMEWORK (DRAFT) 3. RISK MATRIX (DRAFT)

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### 1. **EXECUTIVE SUMMARY**

The purpose of this report is to present the revised Risk Management Policy for recommendation to Council following its review by the Audit Committee.

The revised Risk Management Policy was presented to the Audit Committee on 11 November 2019. The Committee suggested changes to the Risk Management Framework which included clearer definitions in relation to risk treatment and control as well as the inclusion of a risk appetite statement.

The document has now been updated to include the requested information.

### 2. **RECOMMENDATION**

That:

1. The report be received.
2. The Risk Management Policy set out in Attachment 1 to this report (Item 2.3, Audit Committee, 10/12/2019) be recommended to Council for endorsement.

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### 3. **RELEVANT CORE STRATEGIES/POLICIES**

4. Civic Leadership
  - 4.1 We have strong leadership and governance.
  - 4.3 Our business systems are effective and transparent.

#### 4. **DISCUSSION**

The Risk Management Policy was revised and presented to the Audit Committee on 11 November 2019 for endorsement. Further changes were suggested by the Committee that related to the inclusion of a risk appetite statement and clearer definitions for Risk Treatment and Control.

A proposed Risk Appetite Statement was presented to the Executive Management Team (EMT) on 26 November 2019, and EMT endorsed the proposed statement as appropriate.

The Risk Management Policy has been further updated to reflect the changes requested by the Audit Committee at its meeting on 11 November. The revised documents are provided as Attachment 1-3 to this Report.

*Attachment 1*

*Attachment 2*

*Attachment 3*

The documents are now presented for review of the Audit Committee and for recommendation of the Risk Management Policy to Council for endorsement.

#### 5. **ANALYSIS OF OPTIONS**

##### Option 1 –

1. The Report be received.
2. The Risk Management Policy as set out in Attachment 1 to this report (Item 2.3, Audit Committee Meeting, 10/12/2019) be recommended by the Audit Committee for Council to endorse.

The current Policy was revised in November 2019 to align with the ISO 31000:2018 – Risk Management – Guidelines. The document has been updated to reflect the Standard and was also been transferred to the new Policy Template. Further updates were made based on feedback provided by the Audit Committee. The Policy provides an appropriate basis for risk management in the City of Unley and warrants adoption and implementation in a timely manner to ensure staff have appropriate guidance in relation to Risk Management.

##### Option 2 –

1. The Report be received.
2. Subject to the amendments set out below, the Risk Management Policy as set out in Attachment 1 to this report (Item 2.3, Audit Committee

Meeting, 10/12/2019) be recommended by the Audit Committee for Council to endorse:

2.1. Insert amendments required

The Committee may wish to request amendments to the Policy and include these in the recommendations to Council for endorsement. If this is the case, the amendments should be articulated as part of the resolution. This Option provides the relevant wording to enable the Committee to articulate any changes required to the policy, and to recommend these be incorporated by Council at the time it adopts the revised Risk Management Policy.

Option 3 –

1. The Report be received.
2. The Risk Management Policy as set out in Attachment 1 to this report (Item 2.3, Audit Committee Meeting, 10/12/2019) be further amended and returned to the Audit Committee for review, prior to presentation to Council for endorsement.

The Committee may consider that further work is required to the Policy prior to Council endorsement. This Option requests further development of the document and that they be returned to the Audit Committee for recommendation to Council.

6. **RECOMMENDED OPTION**

Option 1 is the recommended option.

7. **POLICY IMPLICATIONS**

7.1 **Legislative/Risk Management**

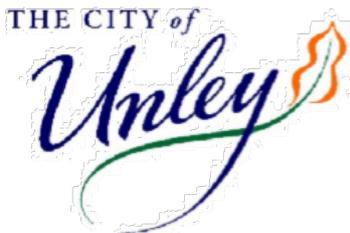
- Section 125 of the *Local Government Act 1999* specifies that a Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient manner to achieve its objectives.
- Section 132A of the *Local Government Act 1999* requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- Section 134(4)(a) and (b) of the *Local Government Act 1999* requires Council to adopt risk management policies, controls and systems, in relation to financial arrangements.
- Relevant *Work Health and Safety Act 2012, Regulations*, and approved Codes of Practice.

**8. REPORT CONSULTATION**

The Executive Management Team provided input to the risk appetite statement and approved the statement incorporated within the Risk Management Framework.

**9. REPORT AUTHORISERS**

<b>Name</b>	<b>Title</b>
Nicola Tinning	General Manager, Business Support & Improvement



## S0010: RISK MANAGEMENT POLICY

<b>Policy Type:</b>	Statutory Policy
<b>Responsible Department:</b>	Office of the Chief Executive Officer
<b>Responsible Officer:</b>	Principal Risk Management Officer
<b>Related Policies and Procedures</b>	<ul style="list-style-type: none"> <li>• Risk Management Framework</li> <li>• Business Continuity Plan</li> <li>• Emergency Management Plan</li> <li>• Relevant WHS Policies and Procedures</li> </ul>
<b>Community Plan Link</b>	<i>Civic Leadership</i> 4.1 we have strong leadership and governance 4.3 our business systems are effective and transparent
<b>Date Adopted</b>	24 May 2010: C664/10
<b>Last review date</b>	28 January 2020: C<00>/20
<b>Next review date</b>	January 2021
<b>Reference/Version Number</b>	S0010: Version 5
<b>ECM Doc set I.D.</b>	2979377

### 1. PREAMBLE

- 1.1. Council will maintain a Risk Management Framework consistent with the International Standard ISO31000:2018 – Risk Management Guidelines, with the goal of providing a consistent approach to dealing with uncertainties likely to impact on the achievement of Council's vision.

### 2. POLICY PURPOSE/OBJECTIVES

- 2.1. This Policy is intended to enable an integrated approach to risk management through:
- seeking a commitment to core risk management principles;
  - defining responsibilities for risk identification, assessment, evaluation and treatment programs across Council operations;
  - application of a Risk Management Framework that provides the tools and programmes to underpin Councils approach to achieving a balance between the costs of managing a risk and anticipated benefits;
  - ensuring a systematic approach is used to manage risks and that appropriate treatment and risk mitigation strategies are applied, reviewed and monitored;
  - developing and nurturing an organisational ethos and culture, which integrates risk management processes into management activities at strategic, project and operational levels;

- achieving Council's goals, objectives, targets and community expectations within an acceptable (tolerable) level of risk.

### 3. DEFINITIONS

- 3.1. **Consequences:** Outcome of an event affecting objectives.
- 3.2. **Control:** Measure that modifies a risk.
- 3.3. **Event:** Occurrence of a particular set of circumstances.
- 3.4. **Risk:** Effect of uncertainty on objectives; an effect is a deviation from the expected. It can be positive, negative or both and can address, create or result in opportunities and threats.
- 3.5. **Risk Assessment:** An overall process of risk identification, risk analysis and risk evaluation.
- 3.6. **Risk Management:** Coordinated activities to direct and control an organisation with regard to risk.
- 3.7. **Risk Management Framework:** Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management.
- 3.8. **Risk Register:** Register of all identified risks, their consequences, likelihood, rating and treatments.

### 4. ROLES AND RESPONSIBILITIES

#### 4.1. Council

- Endorse Council's Risk Management Policy.
- Ensure that risks are adequately considered when setting Council strategies and objectives.
- Understand the risks facing Council in pursuit of its objectives.
- Apply risk management principles to the decision-making process.

#### 4.2. Audit Committee

- Review and recommend the endorsement of the Risk Management Policy.
- Ensure the risk management framework assigns authority, responsibility and accountability at appropriate levels within the organisation, is implemented and delivers a consistent approach to risk management.
- Review reports from management and auditors and monitor the implementation of effective enterprise risk and opportunity management through controls.
- Provide independent assurance regarding risk management processes.

#### 4.3. Chief Executive Officer

- Ensure an effective risk management process is established, implemented and maintained and deliver a consistent approach to risk management.
- Promote a strong risk management culture by providing firm and visible support for risk management including ensuring appropriate delegations for the management of risk.
- Ensure that appropriate resources are allocated to managing risk.

- Ensure Managers have the necessary knowledge and skills to effectively fulfil their risk management responsibilities and are accountable for risks arising from the activities of their business areas.
- Regularly review Council's strategic and operational risks.

#### 4.4. **Executive Management Team**

- Promote and support a proactive risk culture and the application of the Risk Management Policy and Framework.
- Monitor Council's overall risk profile and mitigation strategies ensuring that Risk Management is embedded into all critical functions and activities.
- Regularly review risks at all levels and ensure risk treatments are actioned.
- Include any risk treatments into business plans.

#### 4.5. **Business Unit Leaders / Managers**

- Implement the Risk Management Policy and Framework within their respective areas of responsibility.
- Undertake the risk management process as per the requirements of the Policy and Framework.
- Record all operational risk information within Council's Risk Register.
- Empower staff to actively manage risk.

#### 4.6. **Principal Risk Management Officer**

- Provide guidance and assistance to all staff in relation to the application of this framework and reporting within the Risk Register.
- Ensure relevant risk information is reported and escalated to the Executive Management Team or Audit Committee, or cascaded to staff, as relevant.
- Maintain the Risk Management Policy and Framework to ensure its currency and accuracy.
- Manage the Risk Register and timeframes as required.

#### 4.7. **Project Managers / Coordinators**

- Implement risk management processes, including recognising, reporting and responding to new, changing and anticipated risks.

#### 4.8. **Employees, Volunteers and Contractors**

- Identify, evaluate, report and manage risks in their daily activities and projects.

### 5. **POLICY STATEMENT**

- 5.1. Council is committed to developing, applying and maintaining governance and risk management principles to ensure that any impacts to the achievement of strategic and business objectives are considered and analysed.
- 5.2. Council will adopt and implement a systematic approach to identifying, assessing, evaluating and treating (mitigating) risks. The risk management program involves identifying opportunities to ensure Council achieves its strategic goals whilst recording and managing its operational risks.

- 5.3. Management will lead, actively participate in and have complete oversight of all aspects of risk management within their areas of responsibility.
- 5.4. The risk register(s) will be periodically reviewed in accordance with set timeframes identified within the Risk Management Framework.

**6. POLICY DELEGATIONS**

Nil applicable

**7. LEGISLATION**

- Section 125 of the *Local Government Act 1999* specifies that a Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient manner to achieve its objectives.
- Section 132A of the *Local Government Act 1999* requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- Section 134(4)(a) and (b) of the *Local Government Act 1999* requires Council to adopt risk management policies, controls and systems, in relation to financial arrangements.
- Relevant *Work Health and Safety Act 2012*, Regulations, and approved Codes of Practice.

**8. AVAILABILITY OF POLICY**

8.1. The Policy is available for public inspection during normal office hours at:

The Civic Centre,  
181 Unley Road, Unley SA 5061.

A copy may be purchased for a fee as determined annually by Council.

It is also available for viewing, download and printing free of charge from the Council's website [www.unley.sa.gov.au](http://www.unley.sa.gov.au).

**9. DOCUMENT HISTORY**

Date	Ref/Version No.	Comment
04/05/2010	Audit & Governance Comm 45/10	
24/05/2010	Council 644/10: V1	
08/02/2011	Audit Comm 9/11	Was policy no. 025
28/02/2011	Council 70/11: V2	
14/05/2012	CSP Comm 108/12	Was policy no. COU10
25/05/2012	Council 420/12:V3	
10/05/2017	Audit & Governance Comm 56/17	
22/05/2017	Council 853/17: V4	Policy number deleted
28/01/2020	C<00>/20: V5	



# Risk Management Framework

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*November 2019 – Version 2.0*

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**Table of Contents**

**1. Document Control ..... 3**

    1.1. Document Version Control..... 3

**2. Introduction ..... 4**

**3. Purpose ..... 4**

**4. Roles and Responsibilities..... 5**

**5. Principles of Risk Management ..... 7**

**6. Integration of Risk Management ..... 7**

    6.1. Enterprise Risk Management..... 7

    6.2. Risk Appetite Statement ..... 7

**7. Process ..... 8**

    7.1. Communication and Consultation ..... 9

    7.2. Scope, context and criteria ..... 9

    7.3. Risk Assessment ..... 10

        7.3.1. Identify Risks ..... 10

        7.3.2. Risk Analysis ..... 11

        7.3.3. Risk Evaluation ..... 11

        7.3.4. Residual Risk and Risk Treatment ..... 12

        7.3.5. Monitor and Review ..... 13

**8. Risk Management Activities Integrated into Processes..... 13**

**9. Definitions ..... 18**

**1. Document Control**

<b>Responsible Department</b>	Office of the Chief Executive Officer (OCEO)
<b>Framework Owner</b>	Executive Manager - OCEO
<b>Responsible Officer</b>	Principal Risk Management Officer
<b>Date First Adopted</b>	22 May 2017 – C853
<b>Last Council review</b>	22 May 2017 – C853
<b>Next review date</b>	November 2021
<b>Relevant Legislation</b>	Local Government Act 1999 Work Health and Safety Act 2012
<b>Related Documents</b>	Risk Management Policy City of Unley Community Plan 2033 City of Unley Four Year Delivery Plan 2017-2021 ISO 31000:2018 Risk Management - Guidelines
<b>ECM document ID &amp; URL</b>	

**1.1 Document Version Control**

<b>Version</b>	<b>Date</b>	<b>Summary of version</b>	<b>Author</b>
1.0	April 2017	Risk Management Framework developed	Rebecca Wilson – Group Manager, Governance and Risk Julie Lister – Strategic Risk Management Project Officer
2.0	June 2019	Updated to reflect ISO31000:2018 – Risk Management Guidelines	Lida Cataldi – Principal Risk Management Officer

## 2. Introduction

The City of Unley's *vision*:

*Our City is recognised for its enviable lifestyle, environment, business strength and civic leadership.*

Aspiring to this vision, the Risk Management Framework demonstrates an integrated approach to risk management and assists in setting appropriate strategies, achieving objectives and making informed decisions in the best interests of the community. The Risk Management Framework has been developed in accordance with the International Standard ISO31000:2018 on risk management and refers to the arrangements within the City of Unley that enable risk to be managed.

The *Community Plan 2033* is of paramount importance within this Framework, given risk is defined as “*the effect of uncertainty on an organisation’s objectives*”, whereas, the Risk Management Policy defines Councils commitment and responsibilities in respect to risk management.

Risk is inherent in the provision of all functions and services across the Council. The understanding and management of risk provides greater certainty and security for stakeholders, workers and the community. It also ensures decision makers are better informed, able to be more decisive and move with increased confidence towards the achievement of objectives.

The risk management process is not an isolated function and should be integrated into every activity, including decision making, at all levels. Effective identification, assessment, evaluation and treatment of defined risks is critical to Council achieving its strategic objectives and meeting overall community expectations as set out in the City of Unley’s Community Plan 2033.

The objective of this framework is not to eliminate all risk but to ensure that risk is integral to the business area and managed at an acceptable level in an efficient manner.

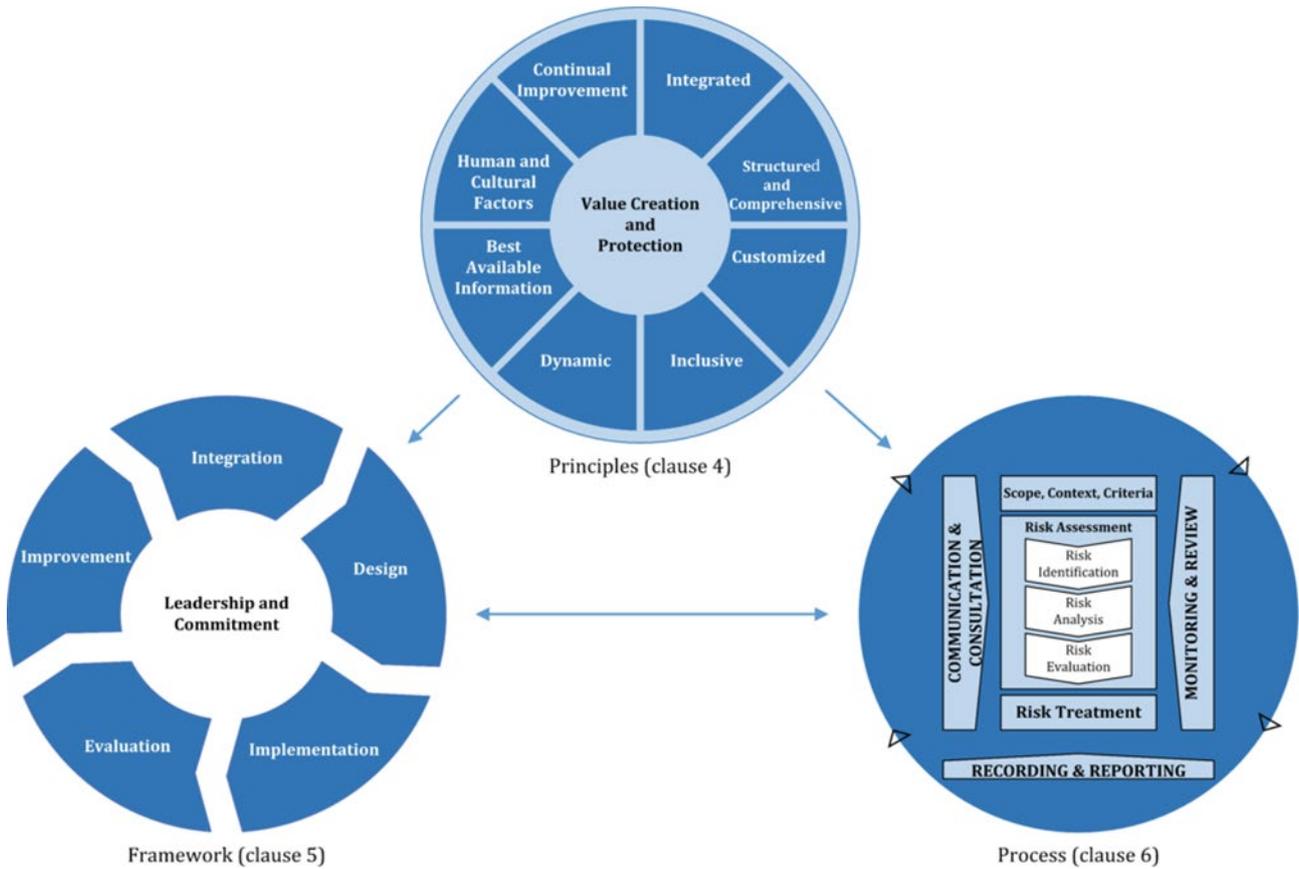
## 3. Purpose

The purpose of this Framework is to provide details of the requirements and processes supporting Council’s Risk Management Policy and to maximise opportunities whilst minimising risks that may impact the achievement of objectives.

This Framework will:

- Foster an integrated risk management approach within Council’s culture, values and operations;
- Align to the objectives of the Risk Management Policy;
- Establish a standardised, formal and structured process including reporting protocols for assessment and treatment of identified risks;
- Establish roles and responsibilities for managing risk;
- Encourage innovation by integrating risk management into the strategic and operational processes across all business areas of Council;
- Ensure that Council maximises its opportunities, whilst minimising any impacts arising from identifying and evaluating risks;
- Ensure that all risks outside the appropriate risk level are escalated to the relevant manager;
- Assist in the development of a continuous improvement culture into overall Council processes.

The diagram below from ISO 31000:2018 visually represents how principles, framework and processes are integrated



**4. Roles and responsibilities**

The following roles and key responsibilities ensure a transparent approach to managing risk within our Council.

*Note: roles and responsibilities below refer to Risk Management only and the committee/position requirements in general*

Roles	Responsibilities
<b>Council</b>	<ul style="list-style-type: none"> <li>• Endorse Council’s Risk Management Policy.</li> <li>• Ensure that risks are adequately considered when setting Council’s strategies and objectives.</li> <li>• Understand the risks facing Council in pursuit of its objectives.</li> <li>• Endorse the systematic approach to managing risk and opportunity across Council operations (that is implemented, monitored and communicated).</li> <li>• Review and consider any report or recommendations regarding the Risk Management Policy.</li> <li>• Apply risk management principles to the decision-making process.</li> </ul>
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>• Oversee Council’s risk management and audit initiatives.</li> <li>• Monitor and review the performance and adequacy of Council’s risk management framework for identifying, monitoring and managing significant business risks.</li> </ul>

Roles	Responsibilities
<b>Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>• Ensure an effective risk management process is established, implemented and maintained and delivers a consistent approach to risk management.</li> <li>• Promote a strong risk management culture by providing firm and visible support for risk management including ensuring appropriate delegations for the management of risk.</li> <li>• Ensure that appropriate resources are allocated to managing risk.</li> <li>• Ensure Managers have the necessary knowledge and skills to effectively fulfil their risk management responsibilities and are accountable for risks arising from the activities of their business areas.</li> <li>• Regularly review Council's strategic and operational risks.</li> </ul>
<b>Executive Management Team</b>	<ul style="list-style-type: none"> <li>• Promote and support a proactive risk culture and the application of the Risk Management Policy and Framework.</li> <li>• Monitor Council's overall risk profile and mitigation strategies ensuring that Risk Management is embedded into all critical functions and activities.</li> <li>• Regularly review risks at all levels and ensure risk treatments are actioned.</li> <li>• Include any risk treatments into business plans.</li> </ul>
<b>Business Unit Leaders / Managers</b>	<ul style="list-style-type: none"> <li>• Implement the Risk Management Policy and Framework within their respective areas of responsibility.</li> <li>• Undertake the risk management process as per the requirements of the Policy and Framework.</li> <li>• Record all operational risk information within Council's Risk Register.</li> <li>• Empower staff to actively manage risk.</li> </ul>
<b>Principal Risk Management Officer</b>  <b>Work Health &amp; Safety Business Partner</b>	<ul style="list-style-type: none"> <li>• Provide guidance and assistance to all staff in relation to the application of this framework and reporting within the Risk Register.</li> <li>• Ensure relevant risk information is reported and escalated to the Executive Management Team or Audit Committee, or cascaded to staff, as relevant.</li> <li>• Maintain the Risk Management Policy and Framework to ensure its currency and accuracy.</li> <li>• Manage the Risk Register and timeframes as required.</li> <li>• Provide support and advice to Managers and staff in the application and use of the Risk Management Framework.</li> </ul>
<b>Project Managers / Coordinators</b>	<ul style="list-style-type: none"> <li>• Implement risk management processes, including recognising, reporting and responding to new, changing or anticipated risks.</li> </ul>
<b>Employees, Volunteers and Contractors</b>	<ul style="list-style-type: none"> <li>• Identify, evaluate, report and manage risks in their daily activities and projects.</li> </ul>

## 5. Principles of Risk Management

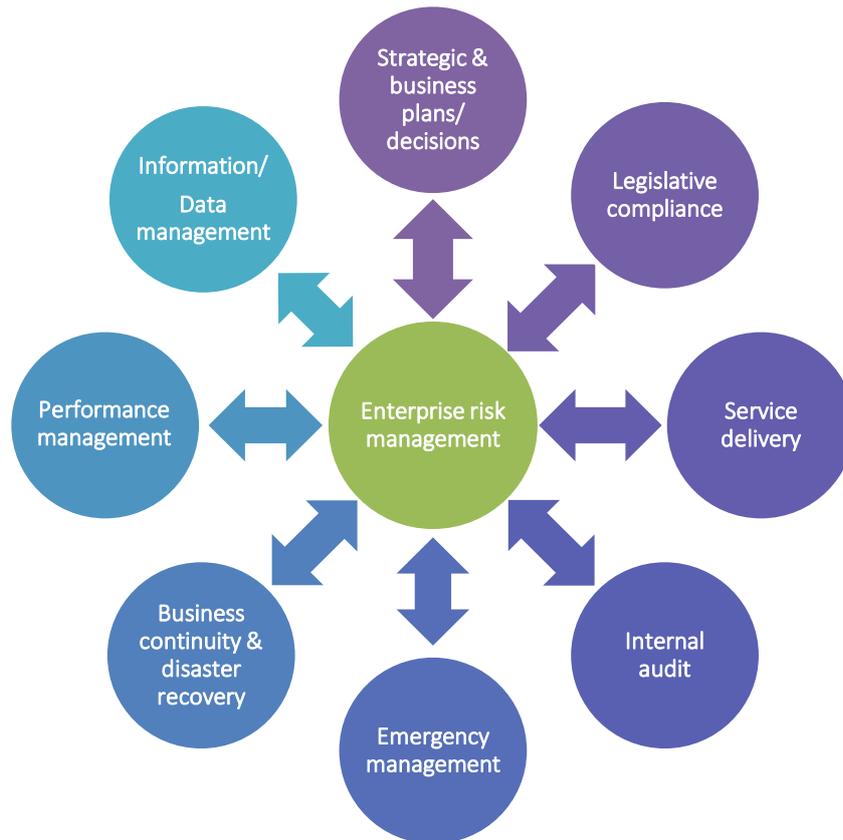
The ISO 31000:2018 Risk Management – Guideline outlines eight best practice principles (*see below*) that underpin this Framework and guide how risk is managed across Council

### ISO 31000:2018 - Risk Principles

- a) **Integrated** – Risk management is an integral part of all organisational activities.
- b) **Structured and comprehensive** – A structured and comprehensive approach to risk management contributes to a consistent and comparable results.
- c) **Customised** – The risk management framework and process are customized and proportionate to the organisation’s external and internal context related to its objectives.
- d) **Inclusive** – appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
- e) **Dynamic** – risks can emerge, change or disappear as an organisation’s external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
- f) **Best available information** – the inputs to risk management are based on historical and current information, as well as future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.
- g) **Human and cultural factors** - Human behaviour and culture significantly influence all aspects of risk management

## 6. Integration of Risk Management across Operations

Risk Management is not just about the risk assessment process, nor is it a stand-alone discipline. To maximise risk management benefits and opportunities, it requires integration through Council’s entire operations as shown by the diagram below:



An integrated risk management system includes the methods and processes used to manage risks and seize opportunities to achieve defined objectives. This allows the various stakeholders to understand the 'bigger picture' of risks facing the Council across its entire operations and ensure shared learnings and continual improvement in the management of risk exposure.

***Integrated activities include:***

- Strategic and operational decision making
- Strategic and annual business planning
- Strategic, operational, Council and Governance reporting
- Business continuity planning and disaster recovery
- Emergency management
- Insurance
- Work health and safety
- Financial management
- Asset management
- Project management
- Contracting and procurement
- Assurance programs
- Training Programs

Strategic Risks are identified by reference to both the external environment and Council’s Community Plan 2033 objectives. Strategic risks are monitored by the Executive and Elected Member body, with all risk assessments captured in the Risk Register and recorded within Council’s records management system (ECM).

**6.2 Risk Appetite Statement**

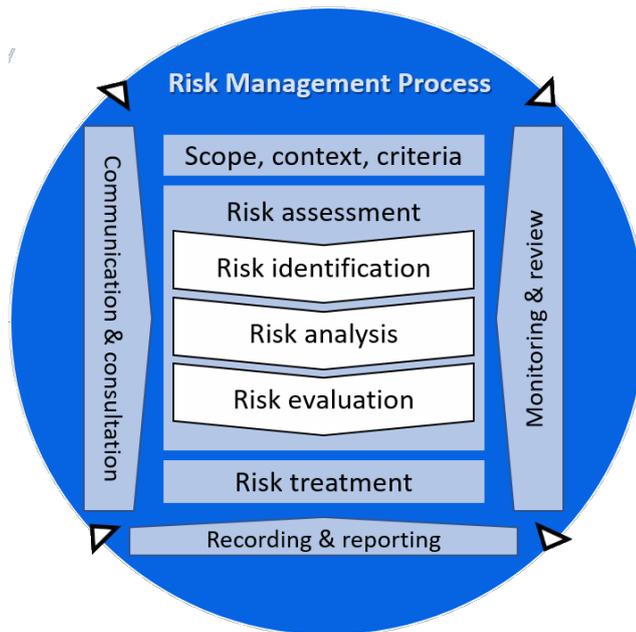
City of Unley’s risk appetite sets out the level of risk the Council is comfortable to accept and how it seeks to mitigate and manage risks outside of that comfort level.

Council’s role is varied; therefore, it is exposed to a wide variety of risks in the process of delivering outcomes for, and meeting expectations of, our community. Decision making needs to ensure the needs of many stakeholders are considered in relation to community expectations within the realms of Council’s responsibility as a regulatory body to administer services within its legislative requirements.

The Executive Management Team has identified a “medium” residual risk as the level of acceptable tolerance. Where a residual risk exceeds ‘medium’ further efforts to manage or mitigate the risk must be made. Where the residual risk cannot be reduced below the acceptable tolerance, relevant reporting should occur to the Executive Management Team

**7. Process**

Having a good risk management practice ensures that Council can undertake activities knowing that measures are in place to maximise the benefits and minimise the negative effect of uncertainties. Risk management involves both the management of potentially adverse effects as well as the fulfilment of potential opportunities. The ISO 31000:2018 states that the risk management process involves the systematic application of policies, procedures and practices to the



activities of communication and consultation, establishing scope, context and criteria, assessing, treating, monitoring, reviewing, recording and reporting risk. (see diagram)

City of Unley’s risk management process is consistent with the ISO 31000:2018, as it involves;

- **Communication and Consultation:** a continuous information sharing process involving internal and external stakeholders. It determines boundaries, relevant staff and is the basis for decisions.
- **Establishing Context:** an understanding of the current conditions in which the organisation operates from an internal, external and risk management context.

- 
- *Identifying Risks* (forms part of the Risk Assessment Process): the consideration of impact to the organisation's achievement of its objectives (strategic and operational) and may include new and emerging risks that are not currently controlled by the Council. Identifies risks, their sources, causes and potential impacts.
  - *Analysing / Assessing / Evaluating Risks* (forms part of the Risk Assessment Process): Determines the level of risk exposure (likelihood and consequence) and compares the risk analysis with the risk criteria to determine if the risk is acceptable or tolerable.
  - *Treating / Mitigating Risks*: the development of further strategies for controlling and treating risks to an acceptable or tolerable level (avoid, transfer, share, take action and reassess with controls and treatments in place).
  - *Monitoring and Reviewing*: the continual measurement and monitoring of the risk environment and the performance of risk management strategies. It captures lessons learnt from near misses or success and provides a basis to reassess risk priorities.

## 7.1 Communication & Consultation

Effective communication and consultation ensure relevant stakeholders understand risk, the basis on which decisions are made and the reasons particular actions are required. Communication is vital in the promotion of risk awareness and understanding, whereas consultation involves obtaining feedback and information to support decision making.

It is important that the communication approach recognises the need to promote risk and opportunity management concepts across all management and workers. Council recognises that this is a process and not an outcome, and so to be effective this stage must be a continuous process of providing and receiving feedback and communication.

## 7.2 Scope, context and criteria

Risk Management is considered in the context of an organisation's external and internal environment, its objectives and stakeholder relationships. This enables efficient identification of risks to achieve overall business objectives.

Whilst there are benefits across all steps, communication when establishing the context will assist with agreement on:

- The problem/ activity that needs assessment
- How we'll know we've been successful

In deciding the above, staff will need to consider surrounding context.

### External Context

Consideration of the external context includes the external environment and relationships. For example:

- Government policies, legislation & compliance requirements;
- Business, social, regulatory, cultural, financial and political responsibilities;
- Industry trends and practices;
- Opportunities and threats; and
- External stakeholders -including community expectations (and their objectives).

### Internal Context

An understanding of Council and its objectives is important prior to undertaking the risk management process. Areas to consider include:

- City of Unley's risk appetite;
- Vision, mission and values (Community Plan, Four Year Delivery Plan);
- Governance, organisation structure, roles and accountabilities;

- Strategy, objectives and policies;
- Organisational culture;
- Standards, guidelines and models adopted by the City of Unley;
- Capabilities understood in terms of resources and knowledge (*e.g. capital, time, people, intellectual property, processes, systems and technologies*);
- Relationships with internal stakeholders, considering their perceptions and values; and
- Contractual relationships and commitments.

These factors need to be considered when identifying Council risks.

### 7.3 Risk Assessment

Risk assessment is the overall process of risk **identification**, risk **analysis** and risk **evaluation**.

#### 7.3.1 Identify Risks

Risk identification naturally flows on from the context discussion. It is a process of formally documenting the effects of uncertainty on objectives and is about identifying sources of risk, areas of impact, events, opportunities, failure to innovate and potential consequences. The aim is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives. This includes identifying the risks associated with not pursuing an opportunity.

Because risk is the effect of uncertainty on objectives, the description of the risk needs to convey both elements, in other words, firstly make clear which objectives (*e.g. those referred in the Community Play 2033*) are being referred to, and secondly identify the source of uncertainty and how it could lead to consequences.

A number of questions should be asked when attempting to identify risks that may prevent, degrade, delay or enhance the achievement of objectives. These include:

- 
- What can happen?
- When could it happen?
- Where could it happen?
- Why could it happen?
- How can it happen?
- Who or what might be impacted?

The answers will assist you in developing a list of risks and events that may have an impact on the achievement of objectives. As part of the risk identification process, it is important to consider the cause of each risk as this may result in different controls being required.

Where there are a number of risks identified within an activity, all identified risks should be documented in the 'risk description' column of the 'Risk Assessment Template' (ECM [4612062](#))

It is beneficial to assess the initial risk prior to considering any controls (inherent risk). This will clarify the baseline of the risk without any controls in place.

Risks can be identified in numerous ways including but not limited to:

<b>Risk Identification Workshops</b>	The purpose of workshops is to brainstorm risks and assess the likelihood and consequence of these with relevant staff from each department. This will assist in capturing and understanding risks and ensuring they are documented in the risk register.
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<b>LGAMLS Risk Management Review Process</b>	Risks are identified through the LGAMLS Risk Management Review process which is an annual appraisal of Council’s risk management practices. An Action Plan is developed to respond to and deal with any issues raised by the Scheme and administered in consultation with the relevant stakeholders across the organisation
<b>Strategic Projects / Change</b>	A risk assessment is to be undertaken as part of any major project and / or change management process. Departments are required to identify and assess any risks emerging as a result of the proposed change / project. This includes reports to Council.
<b>Strategic and Annual Business Planning Process</b>	Departments are required to review the risk register as part of their annual business and strategic planning and budgeting process. This enables the risk profile and risk control activity to be considered as part of future organisational plans, service improvements, business requirements and budgeting needs
<b>Incident / Hazard Reporting</b>	Incidents and Hazards are to be reported in accordance with Councils Hazard Management Policy and associated procedures.

### 7.3.2 Risk Analysis

The risk analysis process involves the consideration of the controls or mitigating activities ALREADY in place that reduce the level of the risk. These controls or mitigating activities should be identified and documented in the ‘Controls’ column of the relevant Risk Assessment Template (ECM [4612062](#)).

Controls may be a single element (*e.g. a warning notice*) or multiple elements (*e.g. inspection regimes, Standard Operating Procedures (SOP’s), other documentation of work practices, defining responsibilities and accountabilities, and monitoring and reviewing processes*) that work simultaneously to achieve a specific purpose.

Following the identification process, each risk should be assessed in terms of **consequence** (impact or magnitude of effect) and the **likelihood** of that consequence occurring. The consequence and likelihood are rated against established criteria on the Risk Matrix (ECM [4817450](#)).

### 7.3.3 Risk Evaluation

The Risk evaluation process is utilised to support decision marking by determining which risks need treatment and priority for implementation.

A risk deemed as tolerable (acceptable) does not require further controls to be implemented via treatments unless there is an increase in the efficiency (financial/time) of existing controls.

The following actions should be considered when evaluating the risk:

- Do nothing further (risk level *within* tolerance);
- Consider risk treatment options (risk level *not* within tolerance);
- Undertake further analysis to better understand the risk;
- Maintain existing controls;
- Reconsider objectives.

The effectiveness of existing controls should be assessed. The assessment of the control should consider the design, effectiveness and appropriateness of the control at mitigating the risk. Control effectiveness can be assessed on a 1 – 5 scale as set out in the table below:

Definitions of Control Effectiveness Ratings	
<b>1. Ineffective</b>	During the period, the control has not been implemented as described. Urgent management action is required to implement the described control

	processes.
<b>2. Requires significant improvement</b>	During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.
<b>3. Partially effective</b>	During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.
<b>4. Majority effective</b>	During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.
<b>5. Effective</b>	During the period, the control as described has been fully implemented and has in all cases has been consistently and/or effectively applied.

(Better Practice Model – Internal Financial Controls – 2017 p11)

Decisions should take account of the wider context and the actual and perceived consequences to external and internal stakeholders.

To evaluate risks and apply a consistent approach, the Risk Matrix (ECM [4817450](#)) should be used by staff.

The initial risk rating for each risk is determined by finding the point of intersection between the likelihood and consequence response scores on the Risk Management Reference Sheet to give a rating of Extreme, High, Moderate or Low. This rating provides a measure of the level of risk and will identify the risks that require further treatment.

If the assessed risk level is above the tolerable level, then a treatment might be required. If it is equal to, or below, the tolerable level then that risk may be accepted (*after further controls are discussed*).

#### 7.3.4 Residual Risk and Risk Treatment

Once the residual risk rating has been established, the following action should occur:

Residual Risk Level	Managing Risk – Priory Rating
<b>EXTREME</b>	<ul style="list-style-type: none"> <li>• Add risk to Council’s Risk Register</li> <li>• Undertake detailed research and management planning</li> <li>• Escalate the risk issue <b>immediately</b> to relevant General Manager and CEO</li> <li>• Implement stringent new controls in a detailed risk treatment plan in order to make risk tolerable</li> <li>• Closely monitor the control effectiveness at the work area level on an ongoing basis</li> <li>• Report the risk information to the Audit Committee</li> </ul>
<b>HIGH</b>	<ul style="list-style-type: none"> <li>• Add risk to Council’s Risk Register</li> <li>• Raise the risk issue with the relevant General Manager</li> <li>• Escalate the risk issue to Management for attention or action</li> <li>• Closely monitor the control effectiveness at the work area level on an ongoing basis</li> <li>• Validate existing controls with appropriate evidence</li> <li>• Inform the Executive Management Team of the risk information at an appropriate time</li> <li>• Report the risk information to the Audit Committee</li> </ul>
<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>• Add risk to Council’s Risk Register</li> <li>• May be tolerated</li> <li>• Manage the risk within the business function by the position responsible for process</li> <li>• Existing controls must be effective and if required additional mitigation action is to be effectively implemented</li> </ul>

<b>LOW</b>	<ul style="list-style-type: none"> <li>• Add risk to Council’s Risk Register</li> <li>• May be tolerated</li> <li>• Undertake localised risk management &amp; actions (if required), consequences are dealt with by routine operations</li> <li>• Maintain regime of continuous improvement</li> </ul>
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The purpose of risk treatment is to select and implement options for addressing risk to a tolerable level, evaluating the options and implementing those options. This should be documented within the Risk Assessment.

Selecting the most appropriate treatment option involves balancing the costs of implementing each option against the benefits derived from it. It is important to consider all direct and indirect costs and benefits whether tangible or intangible. Risk treatment options can include the following:

- Avoiding the risk by deciding not to proceed or continue with the activity likely to create / cause the risk;
- Taking or increasing the risk in order to pursue an opportunity if the benefits exceed the risk;
- Removing the source/cause of the risk;
- Changing the likelihood of the occurrence;
- Changing the consequence of the risk;
- Sharing the risk with another party (including contracts); and
- Retaining the risk by informed decision and making appropriate provisions for dealing with the consequences should they arise.

The objective is to ensure the risk is reduced to a tolerable level in an efficient (cost / time) manner.

Risk treatment plans should be integrated into the relevant work area, have a designated owner, proposed timeframe for completion and need to be monitored during implementation for effectiveness. After the risk treatments have been documented in a Risk Assessment, a final risk analysis should be undertaken to determine the forecast residual risk considering the predicted result of implementing the treatments, assuming they operate effectively.

The information provided in the treatment plan should include:

- Rationale for selection of the treatment options, including the expected benefits to be gained;
- Those who are accountable and responsible for approving and implementing the plan;
- The proposed actions;
- The resources required, including contingencies;
- The performance measures;
- The constraints;
- The required reporting and monitoring;
- When actions are expected to be undertaken and completed.

### **7.3.5 Monitor and Review**

It is important to understand that the risk assessment and management process is a continual one. It is essential to incorporate ongoing monitoring and review procedures into all Council activities in order to improve the quality and effectiveness of process design, implementation and outcomes.

All risks are allocated to a named individual referred to as the ‘Risk Owner’. Risk Owners will monitor their risks on an ongoing basis and report escalated risk to the relevant General Manager.

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Project risks will be monitored on a day to day basis through the project life cycle by the respective project manager / coordinator, with issues reported and / or escalated through project structure.

At least annually all risks will be reviewed by Risk Owners through continuous maintenance of the risk register to:

- Ensure that implemented controls are effective and adequate;
- Provide further information to improve risk assessment and treatment plans;
- Allow for the identification of emerging risks;
- Identify any (new) activities that may influence established strategies to mitigate risks.

Risk information will be provided to the LG Risk Services as required and information from the risk register will be reported to Council and the Audit Committee.

## **8. Risk Management Activities Integrated into Processes**

Governance and risk management are highly interdependent and require each to operate effectively to maximise the chance of achieving objectives. Both functions sit within the Office of the CEO at the City of Unley. However, the Office of the CEO does not manage all risk or risk treatments; this process is decentralised in line with the City of Unley's values. Best practice also recognises that managing risk within operational areas may encourage effective risk management particularly because of technical specialisation. The City of Unley's Risk Management Policy endorses this approach due to the recognition of importance of accountability of staff in their decision making and recognises in many instances risks are best managed within the business unit as certain expertise is needed to understand the risks.

At the City of Unley, risk management is integrated into various activities which include, but are not limited to, the following:

### **Budget and Strategic Planning**

Strategic and Budget Planning considers key risks and opportunities facing the Council at a corporate level. The planning process must identify and review risks that may impact on Council's ability to meet key legislative and strategic objectives.

### **Strategic & Operational Risk Assessment Process**

The Executive Management Team (EMT) will monitor Strategic Risks regularly. Business functions will be required to review Operational and Project risks ongoing as required and undertake a formal annual risk assessment.

All risks will be captured in a Risk Register and recorded using Council's Record Management System (ECM). Operational risks are the responsibility of the individual business function and Project Risks, the Project Manager.

### **Project Management**

Risk assessments should be conducted on all major projects within the City to ensure that high profile / high risk projects are managed appropriately. These risk registers are reviewed on a periodic basis throughout the lifecycle of the project.

Project Managers and Coordinators implement project risk management in line with Council's risk management framework.

### **Risk Management Training and Awareness**

Information and awareness sessions will be provided at induction to all workers and ongoing as required to improve transparency and increase the Councils Risk Management culture.

In accordance with the Risk Management Policy, risk management is the responsibility of all staff. In order to best manage risks, staff of the City of Unley may seek advice on how to manage risks by seeking advice to clarify and identify appropriate treatments. However, risk advice is not centralised to the Office of the CEO and therefore, staff may need to engage individual business units and/or staff members to assist in complex management of risk. Further, it is for the specific staff (with Manager and/or General Manager involvement as necessary) to determine appropriate action in

response to identified risk (including investigation of whether advice needs to be sought from external means (e.g. Australian Standards, legal advice etc.)

### Records Management

All staff are responsible for records management. Hence all information relating to risk management, including; risk assessments should be saved into ECM, council's records management system

### Assurance Programs – Internal / External Audit

Council's assurance programs such as internal audit, external audit and the self-assessment of the effectiveness of the Better Practice Model – Internal Financial Controls (BPM) are delivered internally and externally. A risk-based approach is used to identify priorities for internal audits to check effectiveness of the internal control environment.

### Council and Audit Committee Reporting

Risk Management should inform Council's decision-making process with relevant information incorporated into Council and Committee reports.

Identified strategic and operational risks are recorded in the Risk Register with summarised risk reporting data to be reported to the EMT on a quarterly basis.

The Audit Committee and Council will receive reports relating to risks with a residual risk rating of extreme and high in addition to the Strategic Risk Register which will be presented on a quarterly basis to the Audit Committee.

### Tenders and Contracts

A risk assessment should be completed prior to the project, works or services being put to tender. *(procurement should ensure there is a completed risk assessment prior to releasing the tender to the market)*

### Agreements with Third Parties (including Limitation of Liability Requests)

When formalising any agreement with a third party, staff should consider whether risk management advice should be sought via the Principal Risk Management Officer, from the LGA Mutual Liability Scheme, other staff and/or Council's legal panel in order to effectively manage risk.

In most instances, consideration will not be given to limiting liability as this may increase Council's civil liability exposure. However, if there are extenuating circumstances where such a request should be considered, the suggested limit of liability request should be forwarded to the Principal Risk Management Officer for consideration.

If for any reason, liability is limited, serious consideration should be given to implementing additional controls to manage any increase in risk exposure.

The following can help establish the risks associated with a third-party activity that council has a vested interest in. It will also reveal what actions will be taken by the third party in relation to managing their risk:

<b>Prevention</b>	What they'll do to mitigate someone getting hurt
<b>Preparedness</b>	What they'll do to prepare for someone getting hurt
<b>Response</b>	What they'll do in responding to someone being hurt.
<b>Recover</b>	What they'll do after an event of someone being hurt

Even though we may have terms and conditions which define non-negotiables to assist with risk management in relation to agreements with third parties, for example we may request the third party have their equipment tagged and tested, requesting they provide response reaffirms they are responsible for managing the risk associated with their activity.

### Work Health Safety

The Work Health Safety (WHS) system is implemented to manage the health and safety risks to workers (staff, contractors and volunteers). Work Health and Safety is a critical component of the risk management system and will address risks facing workers conducting their specified duties.

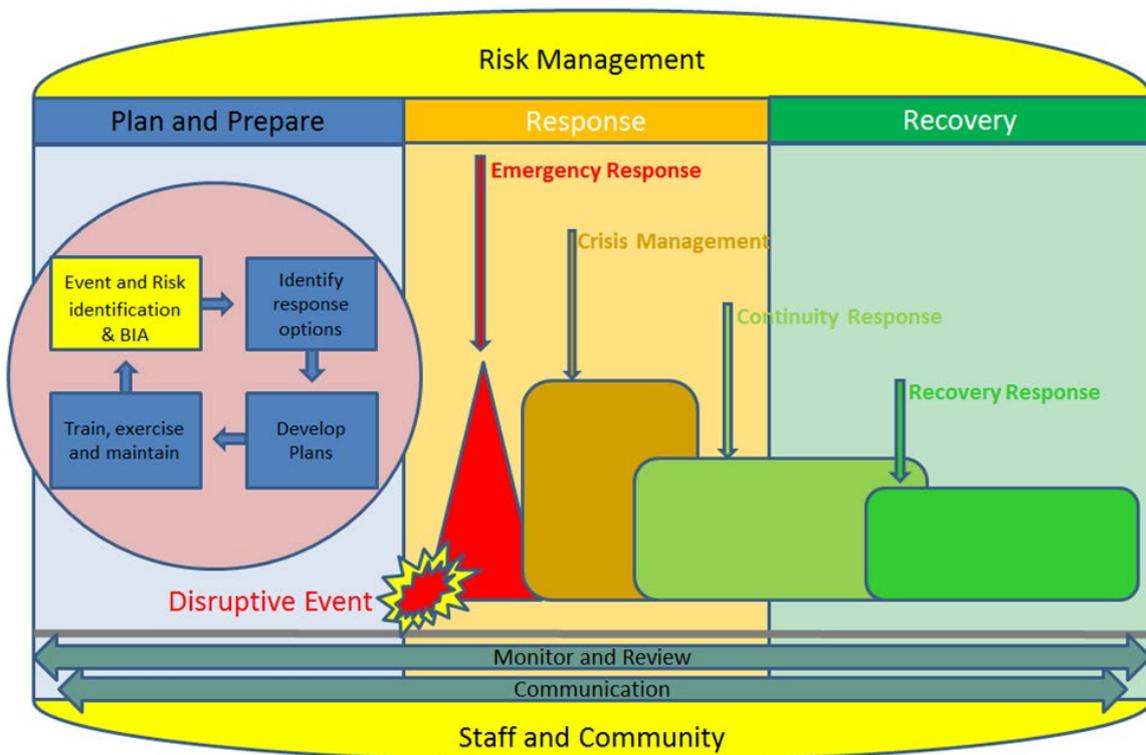
Council has in place an overarching WHS and Return to Work System with a suite of Policies and Procedures to assist in managing safety related risk.

**Emergency Management, Business Continuity Planning / Disaster Recovery**

Council undertakes emergency management planning and exercises, so it is prepared to respond effectively to requests from State Government when it is responding to community level emergencies.

Council has an obligation to ensure that business continues as efficiently and promptly as possible after a business interruption (or emergency). The Business Continuity Plan(s) (BCP) and Disaster Recovery Plan(s) (DR) are designed to manage risk by limiting or reducing the impact of a disruption, and to enable the resumption of critical business functions/services of Council. In managing the risks BCPs and DRs allow the resumption and recovery of business either partially or in full.

The relationship between Emergency Management, Business Continuity Management, Disaster Recovery and Risk



Management is shown below:

**Insurance Options - Coverage & Claims Management – Local Government Risk Services (LGRS)**

From the perspective of the Local Government Sector, certain insurable risks have been transferred to a number of Schemes managed by Local Government Risk Services (LGRS) – via payment of an annual contribution.

- Local Government Association Mutual Liability Scheme (LGAMLS) for the purposes of Civil Liability coverage & claims management;
- Local Government Association Workers Compensation Scheme (LGAWCS) for the purposes of workers compensation coverage & claims management; and
- Local Government Asset Mutual Fund (LGAMF) for the purposes of asset and fleet coverage & claims management.

As a Member of all of the above, Council must ensure that WHS, and Asset and Risk Management protocols are developed, endorsed and implemented across all Departments.

A requirement of membership of the Schemes is for Council to participate in a risk review and audit programme every two years. This is one of the mechanisms the insurers use to establish what existing controls and practices are in place. The review covers most areas of Council operations and specifically areas that have a level of civil liability exposure, or areas that require a formal risk management approach. The results from this review have an impact on the level of contributions paid on an annual basis. An action plan is generated after every review that identifies specific areas for action and provides recommendations for strategies to address the action item. An action plan that incorporates actions relevant to the City of Unley is presented to the Executive Management Team for endorsement.

## 9. Common Definitions Associated with Risk Management

<b>Consequence:</b>	Outcome of an event affecting objectives
<b>Control:</b>	Any action taken to manage risk and increase the likelihood that established objectives and goals will be achieved – measure(s) taken that modifies a risk
<b>Establishing the Context:</b>	Defining the external and internal parameters to be considered when managing risk
<b>Event:</b>	Occurrence of a particular set of circumstances
<b>Exposure:</b>	The risk exposure is a qualitative value of the sum of the consequence of an event multiplied by the probability of that event occurring
<b>External Context:</b>	External environment in which the organisation seeks to achieve its objectives
<b>Inherent Risk:</b>	Risk at time of risk assessment without ANY controls in place ( <i>the assessment of raw or untreated risk</i> )
<b>Internal Context:</b>	Internal environment in which the organisation seeks to achieve its objectives
<b>Likelihood:</b>	Chance of something happening
<b>Residual Risk:</b>	Risk remaining after risk treatment
<b>Risk:</b>	Effect of uncertainty on objectives;
<b>Risk Appetite:</b>	Amount and type of risk that Council is willing to pursue or retain
<b>Risk Assessment:</b>	An overall process of risk identification, risk analysis and risk evaluation
<b>Risk Management:</b>	Coordinated activities to direct and control an organisation with regard to risk
<b>Risk Management Framework:</b>	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management
<b>Risk Management Policy</b>	Statement of the overall intentions and direction of an organisation related to risk management
<b>Risk Management Process</b>	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
<b>Risk Owner:</b>	Staff member with the accountability and authority to manage a risk
<b>Risk Rating:</b>	Risk priority based on consequence and likelihood assessments
<b>Risk Register:</b>	Register of all identified risks, their consequences, likelihood, rating and treatments
<b>Risk Treatment</b>	Process to further mitigate the risk – treatment can involve: <ul style="list-style-type: none"> <li>• <i>Avoiding the risk by deciding not to start or continue with activity that gives rise to the risk</i></li> <li>• <i>Taking or increase risk in order to pursue an opportunity</i></li> <li>• <i>Removing the risk source</i></li> </ul>

	<ul style="list-style-type: none"><li>• <i>Changing the likelihood by implementing additional controls</i></li></ul>
<b>Risk Tolerance:</b>	Council's readiness to bear the risk after risk treatment in order to achieve objectives
<b>Stakeholder:</b>	Person or organisation that can affect, be affected by, or perceive themselves to be affected by, a decision or activity

# RISK MANAGEMENT FRAMEWORK

November 2019

December 2017

## RISK MATRIX

Note: - This guide illustrates the range of potential consequences and likelihood that may be associated with risk categories  
 - Judgement is required to assess the consequences and likelihood of a risk event after effective risk mitigation action

STEP 1 Risk Categories and Examples of Potential Impacts							STEP 2 Likelihood Ratings and Risk Levels				
Consequence Ratings	Health, Safety & Welfare (Community, Councillors, Staff or Contractors)	Business Performance & Service Delivery (Business & HR Operations, ICT, Procurement & Contract Management)	Reputation (Political and Legislation & Policy Compliance)	Infrastructure (Council Assets and Facility Management)	Environment	Financial	Rare	Unlikely	Possible	Likely	Almost Certain
							<5% probability	5% - 30% probability	31% - 60% probability	76% - 90% probability	91% - 100% probability
							May occur in exceptional circumstances	Could occur at some time: greater than annually	Annually: Likely to occur at least once a year	Monthly-Bi-Annually: Likely to occur once twice a month-year	Frequently: Likely to occur most weeks
<b>Catastrophic (Worst case scenarios)</b>	<ul style="list-style-type: none"> <li>Major injury, disablement or fatality</li> <li>Long term effect on morale and business performance</li> <li>Widespread industrial action</li> <li>Section of the community or workforce harmed</li> <li>Long term impact on morale or business</li> </ul>	<ul style="list-style-type: none"> <li>Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.</li> </ul>	<ul style="list-style-type: none"> <li>Council Members conduct – Severe Breach of Code of Conduct</li> <li>Huge effect on public image</li> <li>Community outrage by groups; pages established on social media and high instance of posts on Council's social media pages</li> <li>Organised community campaigning involving multi-day / sustained negative media attention (months)</li> <li>Irreconcilable community loss of confidence in Council's intentions and capabilities</li> <li>Significant prosecution and fines, major litigation involving class action, major non-compliance with legislation / regulation</li> <li>Critical internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>Loss of significant or critical infrastructure / assets are destroyed</li> <li>Significant or critical infrastructure assets are unusable for months</li> <li>Major impact on business operations</li> </ul>	<ul style="list-style-type: none"> <li>Permanent damage, destruction of sites or artefacts of cultural heritage significance</li> <li>Irrecoverable environmental damage threatening survival of flora or fauna; death of animals; widespread introduction of weeds; soil erosion</li> <li>"Serious" as defined under the SA Environment Act 1993 Section 5(3)(b)</li> </ul>	<ul style="list-style-type: none"> <li>Significant adverse impact on the budget – financial loss / exposure &gt;\$4m or 10% of rate revenue</li> <li>Impact on multiple financial years</li> </ul> <p><i>To note: \$4m is a threshold in prudential management relating to procurement</i></p>	Medium	High Medium	High	Extreme High	Extreme
<b>Major</b>	<ul style="list-style-type: none"> <li>Serious long term injury requiring hospitalisation / rehabilitation</li> <li>Temporary disablement</li> <li>Industrial action over many months, significant management intervention required</li> <li>Increased overall workforce absenteeism</li> <li>Significant impact on morale or business</li> </ul>	<ul style="list-style-type: none"> <li>Major interruption to service delivery, Customer impact &gt; 7 days. Component of BCP action may be needed.</li> </ul>	<ul style="list-style-type: none"> <li>Council Members conduct – Major Breach of Code of Conduct</li> <li>Long term effect on public image</li> <li>Considerable and prolonged impact and dissatisfaction publicly expressed</li> <li>Regional or state wide negative media attention (weeks)</li> <li>Major breach of legislation / regulation, major litigation, non-compliance with legislation / regulation</li> <li>Major internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>Loss of non-critical infrastructure / assets are destroyed or significantly damaged</li> <li>Significant or critical assets are unusable for weeks</li> <li>Major impact on business operations</li> </ul>	<ul style="list-style-type: none"> <li>Death of individual animals, large scale injury, loss of key species and widespread habitat destruction</li> <li>Extensive serious injuries</li> <li>"Material" as defined under the SA Environment Act 1993 Section 5(3)(a)</li> <li>Damage to flora and fauna requires significant period of recovery</li> </ul>	<ul style="list-style-type: none"> <li>Major financial loss / exposure – impact between \$1m and \$4m or 5% of rate revenue</li> <li>Impact goes into next financial year and possibly beyond</li> </ul> <p><i>To note: \$2m is approx. 5% of rate revenue</i></p>	Medium	Medium	High	High	Extreme
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Injuries requiring medical attention / hospitalisation</li> <li>Short term disablement</li> <li>Threats of industrial action, any impact can be absorbed short term</li> <li>Increased business area workforce absenteeism</li> <li>Short term effect on morale and business</li> </ul>	<ul style="list-style-type: none"> <li>Moderate interruption to service delivery. Customer impact up to 48 hrs. Partial BCP action may be needed</li> </ul>	<ul style="list-style-type: none"> <li>Sectional community impacts and concerns publicly expressed (days)</li> <li>Negative media attention and public interest (days)</li> <li>Loss of confidence by the community in Council processes / staff / councillors</li> <li>Moderate breach of legislation / regulation, major litigation, non-compliance with legislation / regulation</li> <li>Moderate internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>A range of assets, including some significant assets, are unusable for weeks</li> <li>Moderate impact on business operations</li> </ul>	<ul style="list-style-type: none"> <li>Severe temporary damage over limited area requiring extensive remediation</li> <li>Medical treatment required</li> <li>"Potential" as defined under the SA Environment Act 1993 Section 5(2)</li> <li>Impact on flora or fauna is recoverable over 6 to 12 month period and pollution requires physical removal</li> </ul>	<ul style="list-style-type: none"> <li>High financial loss / exposure – impact between \$100k and \$1m or 2.5% of rate revenue</li> <li>May impact beyond current financial year</li> </ul>	Low	Medium	Medium	High	High
<b>Minor</b>	<ul style="list-style-type: none"> <li>Injuries requiring first aid treatment (lost time up to 2 days)</li> <li>Urgent dialogue with industrial group required, impact can be absorbed through normal activity</li> <li>Increased team workforce absenteeism</li> <li>Negligible short term impact on morale or business</li> </ul>	<ul style="list-style-type: none"> <li>Minor interruption to a service with minimal impact to customers/business</li> </ul>	<ul style="list-style-type: none"> <li>Local level of community impacts and concern</li> <li>Some local media or political attention</li> <li>Occasional once off negative media attention</li> <li>Complex legal issues need addressing, non-compliance and breaches</li> <li>Minor internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>A number of assets are unusable but can be replaced within acceptable timeframes</li> <li>Minimal disruption to business operations</li> </ul>	<ul style="list-style-type: none"> <li>Temporary damage affecting local area</li> <li>First aid required</li> <li>"Nuisance" as defined under the SA Environment Act 1993 Section 5(1)</li> <li>Some minor adverse effects on few species / ecosystem can be contained and reversed in the short term</li> </ul>	<ul style="list-style-type: none"> <li>Medium financial loss / exposure – impact between \$10K and \$100k</li> <li>Minor variation to budget for current financial year</li> </ul> <p><i>To note: \$457k is financial materiality threshold for 2016/17 2019/2020</i></p>	Low	Low	Medium	Medium	High
<b>Insignificant</b>	<ul style="list-style-type: none"> <li>Incident with or without minor injury; first aid only</li> <li>Dialogue with industrial group may be required, negligible impact</li> <li>No impact on morale or business</li> </ul>	<ul style="list-style-type: none"> <li>Insignificant interruption to a service – no impact to customers/business</li> </ul>	<ul style="list-style-type: none"> <li>Isolated local community or resident's issue based concerns</li> <li>Minimal local complaints or negative commentary on Council's website (less than 3 people)</li> <li>No media or political attention</li> <li>Legal issues managed by routine procedures, minor non-compliance and breaches</li> <li>Minor encroachment on internal policy</li> </ul>	<ul style="list-style-type: none"> <li>Assets receive minimal damage or are only temporarily unavailable</li> <li>No real disruption to business operations</li> </ul>	<ul style="list-style-type: none"> <li>Minor temporary damage that normal practice can rectify</li> <li>No injuries</li> <li>Can be reversed immediately</li> <li>"Nuisance" as defined under the SA Environment Act 1993 Section 5(1)</li> </ul>	<ul style="list-style-type: none"> <li>Negligible financial loss – impact &lt;\$10k</li> <li>No impact on current financial year</li> </ul>	Low	Low	Low	Medium	Medium

# RISK MANAGEMENT FRAMEWORK

November 2019

December 2017

STEP 3

## RISK LEVEL CONTEXT AND MITIGATION ACTION REQUIRED

Residual Risk Level	Managing Risk – Priority Rating
<b>EXTREME</b>	<ul style="list-style-type: none"> <li>Add risk to Council’s Risk Register</li> <li>Undertake detailed research and management planning</li> <li>Escalate the risk issue <b>immediately</b> to relevant General Manager and CEO</li> <li>Implement stringent new controls in a detailed risk treatment plan in order to make risk tolerable</li> <li>Closely monitor the control effectiveness at the work area level on an ongoing basis</li> <li>Report the risk information to the Audit Committee</li> </ul>
<b>HIGH</b>	<ul style="list-style-type: none"> <li>Add risk to Council’s Risk Register</li> <li>Raise the risk issue with the relevant General Manager</li> <li>Escalate the risk issue for Management’s attention or action</li> <li><del>Requires Management attention – OR Targeted action</del></li> <li>Closely monitor the control effectiveness at the work area level on an ongoing basis</li> <li>Validate existing controls with appropriate evidence</li> <li>Inform the Executive Management Team of the risk information at an appropriate time</li> <li>Report the risk information to the Audit Committee</li> </ul>
<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>Add risk to Council’s Risk Register</li> <li>May be tolerated</li> <li>Manage the risk within the business function by the position responsible for process</li> <li>Existing controls must be effective and if required additional mitigation action is to be effectively implemented</li> </ul>
<b>LOW</b>	<ul style="list-style-type: none"> <li>Add risk to Council’s Risk Register</li> <li>May be tolerated</li> <li>Undertake localised risk management &amp; actions (if required), consequences are dealt with by routine operations</li> <li>Maintain regime of continuous improvement</li> </ul>

<b>EXTREME</b>	<b>Intolerable</b>	Consequences would threaten the survival of not only the activity but also the business function possibly causing major problems for residents, Council, Councillors and/or Local Government (TN1) – requires prompt action by General Managers and/or Executive Management Team to implement stringent new controls within a detailed risk treatment plan in order to make the risk tolerable. Control effectiveness to be closely monitored at work area level on an ongoing basis. Risk information to be reported to the Audit and Governance Committee
<b>HIGH</b>	<b>Intolerable/Tolerable</b>	Consequences would threaten the continued effective operation of a core process, system or key business area/service – existing controls must be validated with evidence and be closely monitored at work area level on an ongoing basis. Group Managers must be able to demonstrate that So Far As is Reasonably Practicable “SFARP” principles have been applied if risk level is to be tolerated. Risk information to be reported to the Audit and Governance Committee
<b>MEDIUM</b>	<b>Tolerable</b>	Risk treatment is to be assigned if controls are not effective – existing controls must be effective and if required additional mitigation action is to be effectively implemented – managed at Manager level (Direct reports to a General or Group Manager). Reviewed at least half yearly
<b>LOW</b>	<b>Acceptable</b>	Risk is managed by reiteration of current practices and procedures with consideration given to streamlining of excessive or redundant controls – consequences are dealt with by routine operations – monitor routine practices and procedures for effectiveness – maintain regime of continuous improvement. Reviewed annually



## INFORMATION REPORT

<b>REPORT TITLE:</b>	STRATEGIC RISK REGISTER
<b>ITEM NUMBER:</b>	2.4
<b>DATE OF MEETING:</b>	10 DECEMBER 2019
<b>AUTHOR:</b>	LIDA CATALDI
<b>JOB TITLE:</b>	PRINCIPAL RISK MANAGEMENT OFFICER
<b>ATTACHMENTS:</b>	1. STRATEGIC RISK REGISTER

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### 1. **EXECUTIVE SUMMARY**

The Executive Management Team reviews the Strategic Risk Register on a regular basis. The most recent review was undertaken in November 2019, and the revised document is now provided to the Audit Committee for information.

### 2. **RECOMMENDATION**

That:

1. The report be received.
- 

### 3. **RELEVANT CORE STRATEGIES/POLICIES**

#### 4. Civic Leadership

4.1 We have strong leadership and governance.

4.3 Our business systems are effective and transparent.

### 4. **BACKGROUND**

In July 2019, the Audit Committee provided feedback on the Strategic Risk Register and suggested that the event description for each Risk should be described in the negative realm, to assist with the assessment of the risk. The recent review incorporated consideration of revised event descriptions as per the Committee's recommendation.

EMT revisited the inherent, residual and risk tolerance levels for each risk as part of the review, based on the revised Risk Matrix. During this process EMT also undertook an assessment of the control effectiveness against each of the Strategic Risks.

## 5. DISCUSSION

The review undertaken by the EMT involved:

- Confirmation of the redrafted event descriptions
- Review and update of the negative contributory factors, impacts, existing controls/mitigating practices
- Assessment of the control effectiveness
- Review of treatment plans

The review identified that a number of actions captured in the EMT Focus Areas and CEO KPI's were consistent with treatment plans and EMT agreed that these actions should be incorporated within the Strategic Risk Register where relevant.

As part of the EMT review, it was determined that Risk 6 – “*Having the capacity and capability to respond to change*” was captured within other risks in the Strategic Risk Register.

Strategic Risk Register			
6	Event Description: Having the capacity and capability to respond to change		
Responsible Managers: CEO, EMT, Mangers		Community Plan Theme: ALL	
<b>Negative Contributory Factors:</b> <ul style="list-style-type: none"> <li>Lack of plans to respond to events that impact service delivery</li> <li>Lack of resources</li> <li>Lack of planning</li> <li>Not monitoring external environment &amp; trends</li> <li>Out-dated systems and processes</li> <li>Reallocation of responsibilities via legislative changes</li> <li>Four-year election cycles</li> <li>Unskilled staff</li> <li>Lack of appropriate staff turnover</li> <li>Unrealistic expectations of customers</li> </ul>		<b>Impacts (risks):</b> <ul style="list-style-type: none"> <li>Failure to deliver on plans and strategies</li> <li>Community dissatisfaction</li> <li>Service level reduction</li> <li>Reputational Risk</li> <li>Limitations in service delivery options</li> </ul>	
Likelihood: Possible	Consequence: Major	<b>Inherent Risk Rating: HIGH</b>	
<b>Existing Controls/Mitigating Practices:</b> <ul style="list-style-type: none"> <li>Strategic planning framework and documents</li> <li>External liaison and relationship management</li> <li>Business Continuity Plan &amp; Emergency Management Plan</li> <li>Long Term Financial Management Plan</li> <li>Elected Members Induction process</li> <li>Active management and development of organisational culture (OC)</li> <li>Continuous improvement</li> </ul>		<ul style="list-style-type: none"> <li>Annual Business Plan &amp; Budget</li> <li>Collaboration between Councils</li> <li>ERA</li> <li>Digital Strategy and BS&amp;S capability</li> <li>Technology</li> <li>Ongoing training and development</li> </ul>	
Control Effectiveness: to be reviewed quarterly			
<b>Risk Tolerance up to: MEDIUM</b>	Likelihood: Unlikely	Consequence: Major	<b>Residual Risk Rating: MEDIUM</b>
Treatment Plan:		Responsibility:	Target Completion Date:
		•	•

Consequently, they have requested that the information listed against this risk be consolidated across the remaining relevant risk areas, rather than listed as a standalone item.

Following the review process the Strategic Risk Register contains six Strategic Risks, all of which are aligned to the City of Unley's Community Plan: These risks are:

1. Failure to maintain financial sustainability.

2. Inability to meet the needs and expectations of the community.
3. Ineffective decision making that lacks transparency.
4. Inability to manage legislative and regulatory compliance obligations.
5. Workforce not appropriately skilled or engaged.
6. Inability to respond to climate change.

The EMT has requested that further work be undertaken in relation to Strategic Risk 6 – *Inability to respond to climate change* to encompass a more wholistic view of Council's position in relation environmental impacts. This work is continuing in consultation with the EMT.

A full copy of the current Strategic Risk Register is provided as Attachment 1.

*Attachment 1*

**6. REPORT AUTHORISERS**

Name	Title
Tami Norman	Executive Manager, Office of the CEO

# Strategic Risk Register

<b>1</b> <b>Event Description:</b> Failure to maintain financial sustainability			
<b>Responsible Managers:</b> CEO, EMT, CFO		<b>Community Plan Theme:</b> CIVIC LEADERSHIP & ECONOMIC PROSPERITY	
<b>Negative Contributory Factors:</b>		<b>Impacts (risks):</b>	
<ul style="list-style-type: none"> <li>Forecasting tools are not relevant or out of date</li> <li>Long Term Financial Plan is not maintained or not appropriate for business needs</li> <li>Financial resources to deliver required services are inadequate</li> <li>Financial capacity to meet service delivery demands</li> <li>Financial resources are not managed in line with treasury management policy</li> <li>Debt levels and debt management strategies are not in line adopted targets or are not sustainable</li> <li>Inadequate project management practices</li> </ul>		<ul style="list-style-type: none"> <li>Financial Maladministration &amp; Corruption inability to delivery community expectations into the future</li> <li>Financial sustainability is compromised</li> <li>Reputational Damage</li> <li>Legislative Compliance (Financial) are not met</li> <li>Inter-generational equity is not achieved</li> <li>insufficient project funding</li> <li>Failure to deliver on plans and strategies</li> <li>Limitations to service delivery options</li> <li>Service level reduction</li> </ul>	
<b>Likelihood:</b> Possible	<b>Consequence:</b> Major	<b>Inherent Risk Rating:</b> HIGH	
<b>Existing Controls/Mitigating Practices:</b>			
<ul style="list-style-type: none"> <li>Endorsed Community Plan, Four Year Delivery Plan and Annual Operating Plans</li> <li>Comprehensive budget development process that meets legislative requirements (including cost estimates &amp; consultation).</li> <li>Long Term Financial Plan in place with adopted financial targets; reviewed annually</li> <li>Adoption and application of the Better Practice Model – Internal Financial Controls</li> <li>Prudential Management Framework</li> <li>Treasury Management Plan</li> <li>Infrastructure &amp; Asset Management Policy &amp; Plans are linked to the long-term financial plan</li> </ul>		<ul style="list-style-type: none"> <li>Quarterly budget review process</li> <li>Regular Financial reporting and budget monitoring</li> <li>Qualified and experience finance human resources</li> <li>Oversight from the Audit Committee</li> <li>External Audit</li> <li>Defined and agreed levels of service</li> <li>Continued corporate performance reporting on external grants to Council (CEO KPI)</li> </ul>	
<b>Control Effectiveness:</b>		<i>Majority Effective</i>	<b>Risk Tolerance up to:</b> MEDIUM
<b>Likelihood:</b> Rare		<b>Consequence:</b> Major	<b>Residual Risk Rating:</b> MEDIUM
<b>Treatment Plan:</b>		<b>Responsibility:</b>	<b>Target Completion Date:</b>
<b>EMT Focus Area: Project Planning and Management – principles of project planning and management are used to effectively manage resources, risk and delivery</b>			
1 Update and implement revised project management framework:			
1.1 Review existing project management framework and tools, including application by work areas.		<ul style="list-style-type: none"> <li>GMCD</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
1.2 Implement a revised project management framework that is scalable, cognisant of project value/risk and identifies relevant team members.		<ul style="list-style-type: none"> <li>EMT</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
2 Provide training on revised project management framework to relevant staff:			
2.1 Develop a training program to support integration of project management across business.		<ul style="list-style-type: none"> <li>GMCD/GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
3 EMT regularly review progress of approved projects (at various levels across the organisation):			
3.1 Implement a reporting framework and process for approved projects.		<ul style="list-style-type: none"> <li>EMT</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
3.2 Report on the progress of approved projects.		<ul style="list-style-type: none"> <li>EMT</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
<b>EMT Focus Area: Corporate Performance Reporting – promote council transparency, accountability and performance against service levels:</b>			
1 Develop appropriate measures to report on corporate performance quarterly:			
1.1 Confirm targets and measures for inclusion in the corporate performance report.		<ul style="list-style-type: none"> <li>EMT</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
1.2 Identify current levels of service across all service areas.		<ul style="list-style-type: none"> <li>EMT</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
2 Ensure quality and accuracy of data for corporate reporting purposes:			
2.1 Assess data quality within existing systems and provide recommendations for improvement.		<ul style="list-style-type: none"> <li>GMBSI/EMT</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2021</li> </ul>
2.2 Apply technology tools to enhance data collection and reporting.		<ul style="list-style-type: none"> <li>GMBSI/EMT</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2021</li> </ul>
<b>CEO KPI – Non-Rate Based Funding – Increasing the sourcing of non-rate based revenue</b>			
<ul style="list-style-type: none"> <li>The review of Council Services to identify savings include the identification of additional income generation opportunities.</li> <li>Report to Council identifying non rate based revenue streams that could be introduced.</li> </ul>		<ul style="list-style-type: none"> <li>GMBSI/CEO</li> <li>GMBSI/CEO</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> <li>Jun 2020</li> </ul>
<b>CEO KPI – Financial – Ensure the sustainability of the organisation through sound financial management principles and on-going reviews of its operations to realise efficiency gains</b>			
<ul style="list-style-type: none"> <li>Draft Annual Business Plan for Elected Member review.</li> <li>2020/21 Annual Operating Plan include clear levels of service for each service area.</li> </ul>		<ul style="list-style-type: none"> <li>GMBSI/CEO</li> <li>GMBSI/CEO</li> </ul>	<ul style="list-style-type: none"> <li>Apr 2020</li> <li>Jun 2020</li> </ul>
Review of Long-Term Financial Plan		<ul style="list-style-type: none"> <li>GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
Review of Asset Management Plans		<ul style="list-style-type: none"> <li>GMCD</li> </ul>	<ul style="list-style-type: none"> <li>Nov 2020</li> </ul>

EMT reviewed – 26 November 2019

Strategic Risk Register			
2	Event Description: Inability to meet the needs and expectations of the community		
Responsible Managers: CEO, EMT, Managers		Community Plan Theme: <b>COMMUNITY LIVING &amp; CIVIC LEADERSHIP</b>	
<b>Negative Contributory Factors:</b> <ul style="list-style-type: none"> <li>Community Plan is out of date or not relevant</li> <li>Annual Business Plan and Budget process is not aligned with Community Plan and 4 Year Delivery Plan</li> <li>Resourcing is not aligned to 4 Year Delivery Plan</li> <li>Long Term Financial Plan is inadequate</li> <li>Conduct is inconsistent with Code of Conduct/ Values</li> <li>Systems and processes don't appropriately capture information regarding community needs</li> <li>Asset Management Plans are inadequate</li> <li>Legislative movement of responsibilities</li> <li>Disengaged Elected Members</li> <li>Expectations of Elected Members lack of alignment with the Council role</li> <li>Four-year election cycles</li> </ul>		<b>Impacts (risks):</b> <ul style="list-style-type: none"> <li>Dissatisfied community (public outrage)</li> <li>Reputational damage (negative media)</li> <li>Instability of staff (people leaving a negative environment)</li> <li>Organisational culture is negatively affected</li> <li>Negative perception of performance of the Council (Elected Body)</li> </ul>	
Likelihood: Possible	Consequence: Major	<b>Inherent Risk Rating: HIGH</b>	
<b>Existing Controls/Mitigating Practices:</b> <ul style="list-style-type: none"> <li>Community Plan 2033</li> <li>Annual Business Plan and Budget</li> <li>4-year Delivery Plan</li> <li>Annual Operating Plan</li> <li>Long Term Financial Plan</li> <li>Strategies, Policies and Procedures</li> <li>Asset Management Plans</li> <li>Corporate Performance Report</li> <li>CEO KPIs</li> <li>Role Clarity Framework for service delivery</li> </ul>		<ul style="list-style-type: none"> <li>Organisational culture and values</li> <li>Role clarity and Position Descriptions aligned to service delivery</li> <li>Consultation processes (YourSay, website, social media)</li> <li>Customer Experience Framework</li> <li>Customer satisfaction surveys</li> <li>Community Engagement Framework and Policy</li> <li>Service Reviews</li> <li>Communication Channels</li> <li>Business Continuity Plan &amp; Emergency Management Plan</li> <li>Regular Elected Member briefings, workshops and training</li> </ul>	
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Rare	Consequence: Major	Residual Risk Rating:	MEDIUM
<b>Treatment Plan:</b>		<b>Responsibility:</b>	<b>Target Completion Date:</b>
Develop new 4 Year Delivery Plan		• EMOCEO	• June 2020
<b>EMT Focus Area: Workforce Planning – we have the required number of people to deliver Council's 4-year Delivery Plan:</b>			
1 Establish and implement the appropriate ratio of permanent vs contract roles and identify the workforce development strategies required to achieve the next 4-year Delivery Plan:			
1.1 Understand priority areas in the next 4-year Delivery Plan.		• EMT	• Jun 2021
1.2 Determine the resource requirement and type (e.g. permanent, contract, outsource) to achieve the 4-year Delivery Plan.		• EMT	• Jun 2021
<b>EMT Focus Area: Customer First Culture – The organisation has a consistent customer first approach in the delivery of service:</b>			
1 Develop and implement external and internal Customer Service Standards:			
1.1 Draft service standards for EMT endorsement.		• GMCS	• Jun 2020
1.2 Support roll out and buy in, hold people accountable.		• EMT	• ongoing
2 Include a Customer First KPI within the PDR process for all staff:			
2.1 Update the PDR templates with Customer First KPI.		• GMCS/GMBSI	• Jun 2020
3 Continue to undertake a program of customer surveys and feedback using a diverse range of methodologies:			
3.1 Process the surveys (Libraries, Planning and Traffic) and report outcomes to EMT.		• GMCS	Jun 2020
3.2 Ensure staff participation in the conduct of surveys		• GMCS/GMCD	• Jun 2020
4 Design and implement training across the organisation to reinforce service culture and core competencies. (19/20, noting potential implementation over two years)			
4.1 Analyse competency needs and gaps and develop and implement training plan		• GMCS/GMBSI	• Jun 2020
4.2 Support attendance at training and make a contribution to training cost		• EMT	• Jun 2020
5 Improve the collation of complete customer service data, including services not currently reported			
5.1 Facilitate the process for improvement of collation of customer service data		• GMCS	• Jun 2020
5.2 Allocate BS&S resources to support the data collation work		• GMBSI	• Jun 2020

EMT reviewed – 26 November 2019

Strategic Risk Register		
2	Event Description: Inability to meet the needs and expectations of the community	
Treatment Plan:	Responsibility:	Target Completion Date:
EMT Focus Area: <b>Maximised Self-Help Options</b> – <i>Self-help options are made available to customers to improve their experience.</i>		
1 Apply people centred design principles and new technologies to inform online improvements: 1.1 Incorporate customer preferences and new technologies in the design of online tools to improve service delivery. 1.2 Enable participation in online improvements to enhance the customer experience.	<ul style="list-style-type: none"> <li>• GMBSI</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>
2 Redesign Council's website to increase customer self-help options: 2.1 Evaluate and implement a new platform and architecture for the website. 2.2 Contribute to website design/structure from a customer perspective. 2.3 Facilitate the transition and update of website content.	<ul style="list-style-type: none"> <li>• GMBSI/EMOCEO</li> <li>• GMCS/GMBSI/EMOCEO</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>
3 Develop and report on targets for online usage and satisfaction: 3.1 Develop targets and reporting methodology and provide necessary reporting.	<ul style="list-style-type: none"> <li>• GMBSI/EMOCEO</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> </ul>
EMT Focus Area: <b>Understanding our Purpose</b> – <i>Our people understand their role in 4-year Delivery Plan</i>		
5 Assist Council to review the 4-year Delivery Plan and develop a corporate reporting framework to monitor progress: 5.1 Engage with Elected Members to develop new 4-year Delivery Plan 5.2 Conduct planning workshop with EMT/Managers to test and further develop 4-year Delivery Plan 5.3 refine corporate reporting framework to measure delivery of new 4-year Delivery Plan	<ul style="list-style-type: none"> <li>• CEO</li> <li>• EMT</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>
CEO KPI – <b>Strategic Planning</b> – <i>Undertake a number of Strategic Planning initiatives that will assist Council achieve the goals of the Community Plan</i>	<ul style="list-style-type: none"> <li>• CEO/EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> </ul>
CEO KPI – <b>Digital Strategy</b> – <i>The City of Unley's Digital Strategy provides a practical framework to guide the Council's provision of digital services and use of digital and Smart City technologies, supporting Unley's 4-year Delivery Plan and Community Plan</i>		
<ul style="list-style-type: none"> <li>• Website 'go-live' (full)</li> <li>• Smart data platform implemented</li> <li>• Implementation of smart technology in Heywood Park</li> <li>• Implementation of smart technology on King William Road</li> </ul>	<ul style="list-style-type: none"> <li>• GMBSI</li> <li>• CEO/EMT</li> <li>• GMCD</li> <li>• GMCD</li> </ul>	<ul style="list-style-type: none"> <li>• Apr 2020</li> <li>• Dec 2019</li> <li>• Dec 2019</li> <li>• Dec 2019</li> </ul>
Review of Elected Member training plan	<ul style="list-style-type: none"> <li>• EMOCEO</li> </ul>	<ul style="list-style-type: none"> <li>• June 2020</li> </ul>
Review of Asset Management Plans	<ul style="list-style-type: none"> <li>• GMCD</li> </ul>	<ul style="list-style-type: none"> <li>• Nov 2020</li> </ul>

EMT reviewed – 26 November 2019

<h1 style="margin: 0;">Strategic Risk Register</h1>			
<b>3</b>	<b>Event Description:</b> Ineffective decision making that lacks transparency		
<b>Responsible Managers:</b> CEO, EMT, Managers		<b>Community Plan Theme:</b> CIVIC LEADERSHIP	
<b>Negative Contributory Factors:</b> <ul style="list-style-type: none"> <li>Inappropriate conduct of staff/Elected Members</li> <li>Inaccurate information</li> <li>Ill-informed decision makers</li> <li>Lack of accountability</li> <li>Deficient policies and procedures</li> <li>Noncompliance with legislative obligations/requirements</li> <li>Internal control failures</li> <li>Inappropriate delegations</li> <li>Lack of governance framework</li> <li>Lak of plans to respond to events that impact service delivery (from Risk 6)</li> </ul>		<b>Impacts (risks):</b> <ul style="list-style-type: none"> <li>Reputational damage /risk (from risk 6 – to be deleted)</li> <li>Scrutiny by regulatory bodies (ICAC/Ombudsman)</li> <li>Financial impact/cost</li> <li>Loss of confidence in council</li> <li>Staff attraction and retention</li> </ul>	
<b>Likelihood:</b> Likely	<b>Consequence:</b> Catastrophic (Reputation)	<b>Inherent Risk Rating:</b>	<b>HIGH</b>
<b>Existing Controls/Mitigating Practices:</b> <ul style="list-style-type: none"> <li>Legislative obligations (eg Code of Conduct, Policies etc)</li> <li>External regulatory framework in place</li> <li>Policies and Procedures</li> <li>Delegation of Authority (Legislative and Financial)</li> <li>Elected Members briefings and workshops</li> <li>Expert advice provided by skilled staff</li> <li>Elected Members training programs</li> <li>Independent Members selection and training processes in place</li> <li>Agreed and Endorsed Meeting procedures</li> <li>Risk Management Framework</li> <li>Internal Controls Framework</li> <li>Reporting Quality Control</li> <li>Quality and experienced governance human resources</li> </ul>			
<b>Control Effectiveness:</b>		<b>Risk Tolerance up to:</b>	<b>MEDIUM</b>
<b>Likelihood:</b> Unlikely		<b>Residual Risk Rating:</b>	
<b>Consequence:</b> Catastrophic		<b>MEDIUM</b>	
<b>Treatment Plan:</b>			
- Delegation training (understanding roles, responsibilities and delegation of authority)		<b>Responsibility:</b>	<b>Target Completion Date:</b>
		EMOCEO	• June 2020 (pending recruitment process)
- Risk Management awareness training		EMOCEO	• March 2020 (pending on the endorsement of the Risk Management Policy)
<b>EMT Focus Area – Understanding our Purpose – Our people understand their role in the 4-year Delivery Plan</b>			
<b>4</b> Confirm an accountability matrix that articulates decision making at each level of the organisation: <ul style="list-style-type: none"> <li>4.1 Identify existing instruments of accountability and responsibility.</li> <li>4.2 Test and review the accountability matrix to ensure levels of authority are applied consistently.</li> </ul>	<ul style="list-style-type: none"> <li>GMBSI/EMOCEO</li> <li>EMT</li> </ul>		<ul style="list-style-type: none"> <li>Jun 2021</li> <li>Jun 2021</li> </ul>

Strategic Risk Register			
4	Event Description: Inability to manage legislative and regulatory compliance obligations		
Responsible Managers: CEO, EMT, Managers		Community Plan Theme: CIVIC LEADERSHIP	
<b>Negative Contributory Factors:</b> <ul style="list-style-type: none"> <li>Other levels of government assigning new/different responsibilities</li> <li>Increasing compliance and reporting obligations</li> <li>Changing legislative obligations</li> <li>Local Government Reform agenda</li> <li>Not monitoring external environment and trends</li> <li>Reallocation of responsibilities via legislative changes</li> <li>Four Year election cycles</li> </ul>		<b>Impacts (risks):</b> <ul style="list-style-type: none"> <li>Failure to meet compliance obligation</li> <li>Reputational damage</li> <li>Loss of confidence in Council</li> <li>ICAC investigation</li> <li>Unreasonable Customer expectations</li> <li>Negative Media exposure</li> <li>Financial Sustainability</li> <li>Negatively impact on service delivery &amp; levels</li> <li>Negative impact on organisational culture</li> </ul>	
Likelihood: Possible	Consequence: Major	<b>Inherent Risk Rating:</b>	<b>HIGH</b>
<b>Existing Controls/Mitigating Practices:</b> <ul style="list-style-type: none"> <li>Strategic Planning framework and documents (e.g. Community Plan, Annual Plan etc)</li> <li>Long Term Financial Plan/Annual Business Plan &amp; Budget</li> <li>Policies and Procedures</li> <li>Internal Controls</li> <li>Risk management framework</li> <li>Delegations</li> <li>External liaison and relationship management</li> </ul>		<ul style="list-style-type: none"> <li>Audit Committee</li> <li>External/Internal Audit</li> <li>Appropriately trained and experienced staff</li> <li>Access to suitably qualified service providers for support (e.g. legal advice)</li> <li>Access to LGA resources &amp; opportunity to influence outcomes</li> <li>Collaboration between Councils</li> <li>ERA</li> </ul>	
Control Effectiveness:	Majority Effective	<b>Risk Tolerance up to:</b>	<b>MEDIUM</b>
Likelihood: Possible	Consequence: Major	<b>Residual Risk Rating:</b>	<b>HIGH</b>
<b>Treatment Plan:</b>		<b>Responsibility:</b>	<b>Target Completion Date:</b>
Preparation for LG Reform		<ul style="list-style-type: none"> <li>EMT</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>

EMT reviewed – 26 November 2019

Strategic Risk Register			
5	Event Description: Workforce not appropriately skilled or engaged		
Responsible Managers: CEO, EMT, Managers		Community Plan Theme: CIVIC LEADERSHIP	
<b>Negative Contributory Factors:</b> <ul style="list-style-type: none"> <li>• inability to attract appropriate staff</li> <li>• Inappropriately skilled staff</li> <li>• Negative organisational culture</li> <li>• Lack of contemporary working conditions</li> <li>• Limited access to ongoing training and development</li> <li>• No career progression opportunities</li> <li>• Lack of workforce planning</li> <li>• Job doesn't meet staff expectations</li> <li>• Unsatisfactory relationship with Elected Members</li> <li>• Poor recruitment practices</li> <li>• Ineffective knowledge management</li> <li>• Lack of appropriate staff turnover</li> <li>• Out-dated systems and processes</li> </ul>		<b>Impacts (risks):</b> <ul style="list-style-type: none"> <li>• Unnecessary high staff turnover</li> <li>• Failure to deliver plans and strategies</li> <li>• Community expectations not met</li> <li>• Reputational damage</li> <li>• Inability to retain the right staff</li> <li>• Loss of corporate knowledge</li> </ul>	
Likelihood: Possible	Consequence: Major	<b>Inherent Risk Rating: HIGH</b>	
<b>Existing Controls/Mitigating Practices:</b> <ul style="list-style-type: none"> <li>• Recruitment strategies and practices</li> <li>• Well established brand</li> <li>• Active management and development of organisational culture (OCI)</li> <li>• Appropriate employment conditions</li> <li>• Continuous Improvement</li> </ul>		<ul style="list-style-type: none"> <li>• Documented job descriptions documented and reviewed</li> <li>• Corporate Values</li> <li>• Development planning process (PDR)</li> <li>• Relevant resources and tools</li> <li>• Digital Strategy and BS&amp;S Capability</li> </ul>	
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Unlikely	Consequence: Major	Residual Risk Rating:	MEDIUM
Treatment Plan:		Responsibility:	Target Completion Date:
EMT Focus Area – <b>Workforce Planning</b> – we have the required number of people to deliver Council's 4-year Delivery Plan			
1 Establish and implement the appropriate ratio of permanent vs contract roles and identify the workforce development strategies required to achieve the next 4-year Delivery Plan: <ul style="list-style-type: none"> <li>1.1 Understand priority areas in the next 4-year Delivery Plan.</li> <li>1.2 Determine the resource requirement and type (e.g. permanent, contract, outsource) to achieve the 4-year Delivery Plan.</li> </ul>		<ul style="list-style-type: none"> <li>• EMT</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2021</li> <li>• Jun 2021</li> </ul>
2 Align the labour budget to reflect the priority areas determined by Council: <ul style="list-style-type: none"> <li>2.1 Adjust Labour budget to reflect priority areas.</li> </ul>		<ul style="list-style-type: none"> <li>• EMT + GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2021</li> </ul>
3 Review and update organisation structure and succession plan: <ul style="list-style-type: none"> <li>3.1 Develop options and finalise revised organisational structure</li> <li>3.2 Develop a succession framework and development plan.</li> </ul>		<ul style="list-style-type: none"> <li>• EMT</li> <li>• GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2021</li> <li>• Jun 2020</li> </ul>
EMT Focus Area – <b>Employee Engagement</b> – Our people collaborate for success and are valued, engaged and recognised for their achievement			
1 Establish and implement a communication framework and plan that conveys what will be communicated, to who, when and how: <ul style="list-style-type: none"> <li>1.1 Review internal communications work undertaken to date</li> <li>1.2 Undertake an audit (including a survey of staff) to understand communication needs and identify gaps to inform the plan</li> <li>1.3 Develop and implement the communication framework and plan</li> <li>1.4 Support the implementation of the framework and plan</li> </ul>		<ul style="list-style-type: none"> <li>• GMBSI/EMOCEO</li> <li>• GMBSI</li> <li>• GMBSI/EMOCEO</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> <li>• Jun 2020</li> <li>• ongoing</li> </ul>
2 Implement an on-line climate survey tool to provide a regular interim measure between OCI surveys: <ul style="list-style-type: none"> <li>2.1 Identify and deploy an appropriate interim on-line climate survey tool</li> </ul>		<ul style="list-style-type: none"> <li>• GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2021</li> </ul>
3 Develop a Reward & Recognition policy to provide a framework for recognition in the organisation: <ul style="list-style-type: none"> <li>3.1 Consult and review to inform development of Reward and Recognition Policy</li> </ul>		<ul style="list-style-type: none"> <li>• GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> </ul>
4 Develop a calendar of key corporate processes and deadlines <ul style="list-style-type: none"> <li>4.1 Identify key corporate processes and deadlines for inclusion in the calendar.</li> <li>4.2 Consolidate information and develop calendar.</li> </ul>		<ul style="list-style-type: none"> <li>• EMT</li> <li>• EMT; EMOCEO</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>
EMT Focus Areas – <b>Understanding our Purpose</b> – Our people understand their role in the 4-year Delivery Plan			
1 Develop purpose statements for work areas that are aligned to organisation's purpose: <ul style="list-style-type: none"> <li>1.1 Establish a framework to guide the development of purpose statements for work areas</li> <li>1.2 Enable the development of purpose statements for work areas.</li> </ul>		<ul style="list-style-type: none"> <li>• GMBSI</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>

Strategic Risk Register		
5	Event Description: Workforce not appropriately skilled or engaged	
Responsible Managers: CEO, EMT, Managers		Community Plan Theme: CIVIC LEADERSHIP
Treatment Plan:	Responsibility:	Target Completion Date:
2 Include clear purpose statements for all position descriptions: 2.1 Amend the position description template to include a purpose statement. 2.2 Update position descriptions to include purpose statement.	<ul style="list-style-type: none"> <li>• GMBSI</li> <li>• GMBSI/EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>
3 Review the PDR process to ensure it is meaningful for our people (19/20 to take effect 20/21): 3.1 Engage with business to determine any changes required to the PDR process	<ul style="list-style-type: none"> <li>• GMBSI/EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2021</li> </ul>
EMT Focus Area – <b>Digital Workplace</b> – Enhance our performance through the introduction and integration of digital technologies		
1 Deliver the “Digital Workplace” (intranet) via a cross functional team: 1.1 Facilitate participation in the Digital Workplace cross functional team.	<ul style="list-style-type: none"> <li>• GMBSI/EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> </ul>
2 Populate the Digital Workplace with appropriate content: 2.1 Ensure work area information on the Digital Workplace is published and maintained.	<ul style="list-style-type: none"> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2021</li> </ul>
3 Provide a training program to enable delivery of Digital Workplace: 3.1 Deliver a Digital Workplace training program. 3.2 Ensure attendance at Digital Workplace training.	<ul style="list-style-type: none"> <li>• GMBSI</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>
EMT Focus Area – <b>Continuous Improvement and Innovation</b> – Support our people to innovate and continuously improve		
1 Establish an ‘innovation and red tape reduction register’ to capture and implement ideas for productivity improvement: 1.1 Incorporate the ‘innovation and red tape reduction’ register into the Digital Workplace. 1.2 Establish a governance framework to support the review and implementation of ‘ideas’ from the innovation and red tape reduction register.	<ul style="list-style-type: none"> <li>• GMBSI</li> <li>• GMBSI/EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>
2 Provide a training program on the application of continuous improvement tools: 2.1 Investigate and develop an appropriate training program for continuous improvement.	<ul style="list-style-type: none"> <li>• GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> </ul>
3 Integrate continuous improvement as a “business as usual activity” within each service area: 3.1 Encourage and facilitate a continuous improvement culture within work areas. 3.2 Report and share service area achievements from continuous improvement.	<ul style="list-style-type: none"> <li>• EMT</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Jun 2020</li> <li>• Jun 2020</li> </ul>

EMT reviewed – 26 November 2019

<h1 style="margin: 0;">Strategic Risk Register</h1>		
<b>6</b>	<b>Event Description:</b> Inability to respond to climate change	
<b>Responsible Managers:</b> CEO, EMT		<b>Community Plan Theme:</b> ENVIRONMENTAL STEWARDSHIP
<b>Negative Contributory Factors</b> ("root" causes / how and why the event arises): <ul style="list-style-type: none"> <li>Extreme weather events</li> <li>High density development</li> <li>State Government Planning Reforms</li> <li>China Sword – lack of recyclables market</li> <li>Community appetite for fast moving consumer goods (<i>wiki = Fast-Moving Consumer Goods (FMCG) are products that are sold quickly and at a relatively low cost. Examples include non-durable household goods such as packaged foods, beverages, toiletries, over-the-counter drugs, and other consumables</i>)</li> </ul>		<b>Impacts (risks):</b> <ul style="list-style-type: none"> <li>Canopy reduced – (out of Council's control)</li> <li>Reputational impact – as community has strong 'green' focus</li> <li>Heat-Island effect</li> <li>Public Health implications and risks</li> <li>Reduction in quality of life now and future</li> <li>Increased costs</li> <li>Impacts to rate-payers</li> <li>Impact to local flora and fauna</li> <li>Loss of enviable amenities</li> <li>Unley does not become a desirable place to live</li> </ul>
<b>Likelihood:</b> Almost Certain	<b>Consequence:</b> Major	<b>Inherent Risk Rating:</b> EXTREME
<b>Existing Controls/Mitigating Practices:</b> <ul style="list-style-type: none"> <li>Tree Canopy Action Plan</li> <li>Budget allocation for 19/20 to target canopy cover has been established</li> <li>Brown Hill Keswick Creek subsidiary</li> <li>Strategic Plan and objects</li> <li>Re-use water (dam and aquifer)</li> <li>Water Sensitive Urban Design</li> </ul>		
<b>Control Effectiveness:</b> Majority Effective		<b>Risk Tolerance up to:</b> MEDIUM
<b>Likelihood:</b> Unlikely	<b>Consequence:</b> Major	<b>Residual Risk Rating:</b> MEDIUM
<b>Treatment Plan:</b>		
Develop new 4-year delivery plan	<b>Responsibility:</b> <ul style="list-style-type: none"> <li>EMT</li> </ul>	<b>Target Completion Date:</b> <ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
Review long term financial plan	<ul style="list-style-type: none"> <li>GMBSI</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
<b>CEO KPI 2019/2020 – Environment</b> - Continue to implement policies, strategies and projects to drive improved environmental sustainability across the City The Council has established a number of policies and strategies to maintain and enhance our urban environment and strengthen the City's resilience to climate change. The ongoing implementation of strategy through a diverse range of key projects will demonstrate the Council's leadership to our community:		
-New waste management plan endorsed by Council	<ul style="list-style-type: none"> <li>GMCD</li> </ul>	<ul style="list-style-type: none"> <li>Dec 2020</li> </ul>
-New waste management contract	<ul style="list-style-type: none"> <li>GMCD</li> </ul>	<ul style="list-style-type: none"> <li>Mar 2020</li> </ul>
-Update and expand Tree Strategy – endorsed by Council for community consultation	<ul style="list-style-type: none"> <li>GMCD</li> </ul>	<ul style="list-style-type: none"> <li>Feb 2020</li> </ul>
-Implementation of year one – Canopy Action Plan	<ul style="list-style-type: none"> <li>GMCD</li> </ul>	<ul style="list-style-type: none"> <li>Jun 2020</li> </ul>
Review Asset Management Plans	<ul style="list-style-type: none"> <li>GMCD</li> </ul>	<ul style="list-style-type: none"> <li>Nov 2020</li> </ul>

*EMT reviewed – 26 November 2019*

# Strategic Risk Register

## Emerging Risks: *What keeps you awake at night??*

### June 2019

1. Business viability on King William Road
2. Economic Activity with the City

### November 2019

1. Sustainable economic activity



### Appendix

Definitions of Control Effectiveness Ratings	
<b>1. Ineffective</b>	During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes.
<b>2. Requires significant improvement</b>	During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.
<b>3. Partially effective</b>	During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.
<b>4. Majority effective</b>	During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.



## DECISION REPORT

<b>REPORT TITLE:</b>	FRAUD AND CORRUPTION PREVENTION POLICY REVIEW
<b>ITEM NUMBER:</b>	2.5
<b>DATE OF MEETING:</b>	10 DECEMBER 2019
<b>AUTHOR:</b>	LIDA CATALDI
<b>JOB TITLE:</b>	PRINCIPAL RISK MANAGEMENT OFFICER
<b>ATTACHMENTS:</b>	1. FRAUD AND CORRUPTION PREVENTION POLICY

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### 1. **EXECUTIVE SUMMARY**

The purpose of this report is to present the revised Fraud and Corruption Prevention Policy for recommendation to Council following its review by the Audit Committee.

Council is required to review all policies within 12 months of an election. Policies should be reviewed on a regular basis to ensure they remain current and reflect any changes to legislative or industry guidelines/requirements.

The primary changes that have been made since this Policy was last presented to the Audit Committee relate to the clarification of Roles and Responsibilities with the RACI (*Responsible, Accountable, Consult & Informed*) Accountability Matrix.

### 2. **RECOMMENDATION**

That:

1. The report be received.
  2. The Fraud and Corruption Prevention Policy as set out in Attachment 1 to this report (Item 2.5, Audit Committee Meeting, 10/12/2019) be recommended to Council for endorsement.
- 

### 3. **RELEVANT CORE STRATEGIES/POLICIES**

4. Civic Leadership
  - 4.1 We have strong leadership and governance
  - 4.3 Our business systems are effective and transparent.

#### 4. **BACKGROUND**

The Fraud and Corruption Prevention Policy enables Public Officers to be informed of the requirements and responsibilities in relation to Fraud and Corruption, Misconduct and Maladministration. The Policy also outlines the process for reporting a reasonable suspicion in relation to fraud and corruption and how this will be investigated.

The Policy communicates to the Council Members, Council Employees, Volunteers and Contractors that Council will not tolerate fraudulent or corrupt behaviour or activity.

The policy was presented to the Audit Committee at its 11 November meeting, and clarification in relation to Roles and Responsibilities documented within the policy was requested. In addition, the Committee requested that requirements under the *Public Interest Disclosure Act 2018* be included.

#### 5. **DISCUSSION**

The Policy has now been updated to incorporate the feedback provided by the Audit Committee, namely:

- Inclusion of requirements under the *Public Interest Disclosure Act 2018*, and
- Application of the RACI Accountability Matrix to clearly define levels of responsibilities for roles relating to this Policy.

The revised Policy is provided as Attachment 1.

*Attachment 1*

The Audit Committee is asked to review the Policy and recommend to Council for endorsement.

#### 6. **ANALYSIS OF OPTIONS**

Option 1 –

1. The Report be received.
2. The Fraud and Corruption Prevention Policy as set out in Attachment 1 to this report (Item 2.5, Audit Committee Meeting, 10/12/2019) be recommended to Council for endorsement.

Following the previous revision to the Policy further changes were requested by the Audit Committee. The document has been updated to incorporate those changes and is now ready for recommendation to Council for endorsement.

Option 2 –

1. The Report be received.
2. Subject to the amendments set out below, the Fraud and Corruption Prevention Policy as set out in Attachment 1 to this report (Item 2.5, Audit Committee Meeting, 10/12/2019) be adopted:

2.1. Insert amendments required.

The Committee may wish to request further amendments to the Policy and include these in the recommendation to Council for endorsement. If this is the case, the amendments should be articulated as part of the resolution. This Option provides the relevant wording to enable the Committee to articulate any changes required to the policy, and to recommend these be incorporated by Council at the time it adopts the revised Fraud and Corruption Prevention Policy.

Option 3 –

1. The Report be received
2. The Fraud and Corruption Prevention Policy as set out in Attachment 2 to this report (Item 2.5, Audit Committee Meeting, 10/12/2019) be further amended and returned to the Audit Committee for review, prior to presentation to Council for endorsement

The Committee may consider that further work is required to the documents prior to them being endorsed by Council. This Option requests further development of the documents and that they be returned to the Audit Committee for recommendation to Council.

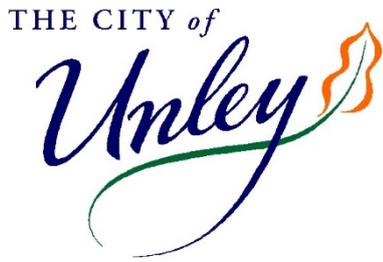
**7. RECOMMENDED OPTION**

Option 1 is the recommended option.

**8. REPORT AUTHORISERS**

<b>Name</b>	<b>Title</b>
Nicola Tinning	General Manager, Business Support & Improvement





## FRAUD AND CORRUPTION PREVENTION POLICY

<b>Policy Type:</b>	Council Policy
<b>Responsible Department:</b>	Office of the CEO
<b>Responsible Officer:</b>	Executive Manager Office of the CEO
<b>Related Policies and Procedures</b>	<ul style="list-style-type: none"> <li>• Public Interest Disclosure Procedure</li> <li>• Risk Management Policy and Framework</li> <li>• Better Practice Model – Internal Financial Controls for South Australian Councils</li> <li>• Code of Conduct for Council Employees</li> <li>• Code of Conduct for Council Members</li> <li>• Elected Member Allowances and Benefits Policy</li> </ul>
<b>Community Plan Link</b>	4.1 We have strong leadership and governance
<b>Date Adopted</b>	11 March 2014: C1072
<b>Last review date</b>	26 June 2017: C887
<b>Next review date</b>	October 2022
<b>Reference/Version Number</b>	
<b>ECM Doc set I.D.</b>	2192544

### 1. PREAMBLE

- 1.1. The City of Unley ("the Council") is committed to acting in the best interest of the community and to upholding the principles of honesty, collaboration, integrity and transparency, which are all key components of good governance.
- 1.2. The Council recognises that Fraud and Corruption in Public Administration have the potential to cause significant financial and reputational harm and therefore, the prevention and control of Fraud and Corruption should feature prominently within the systems and procedures of a responsible Council.

### 2. SCOPE

- 2.1. This Policy is intended to complement, and be implemented in conjunction with, other Council policies and procedures, including:
  - Public Interest Disclosure Procedure
  - Risk Management Policy and Framework
  - Better Practice Model – Internal Financial Controls
  - Code of Conduct for Council Employees
  - Code of Conduct for Council Members, and
  - Elected Members Allowances and Benefits Policy.

- 2.2. This Policy applies to all disclosures that relate to the actual or suspected occurrence of Fraud and/or Corruption within the Council.

### 3. POLICY PURPOSE/OBJECTIVES

- 3.1. The purpose of this Policy is to protect Council assets, interests and reputation from the risks associated with fraudulent conduct, misconduct and maladministration.
- 3.2. This Policy outlines the Council's approach to the prevention or minimisation, identification and control of fraudulent and/or corrupt activity and, summarises the associated responsibilities of Council Members and Council Employees.

### 4. DEFINITIONS

- 4.1. For the purposes of this Policy the following definitions apply:

**Commissioner** means the person holding or acting in the office of the Independent Commissioner Against Corruption per Section 4 of the ICAC Act, who has the powers and functions described by Section 7 of the ICAC Act.

**Corruption** in public administration means:

- a) An offence against Part 7 Division 4 (Offences relating to public officers) of the *Criminal Law Consolidation Act 1935*, which includes the following offences:
- (i) bribery or Corruption of public officers
  - (ii) threats or reprisals against public officers
  - (iii) abuse of public office
  - (iv) demanding or requiring benefit on basis of public office
  - (v) offences relating to appointment to public office.
- b) Any other offence (including an offence against Part 5 (Offences of dishonesty) of the [Criminal Law Consolidation Act 1935](#)) committed by a public officer while acting in his or her capacity as a public officer or by a former public officer and related to his or her former capacity as a public officer, or by a person before becoming a public officer and related to his or her capacity as a public officer, or an attempt to commit such an offence (see Appendix 1 to the Fraud and corruption reporting procedure for examples of offences under the *Local Government Act 1999*, *Local Government (Elections) Act 1999* and *Development Act 1993*); or
- c) Any of the following in relation to an offence referred to in a preceding paragraph:
- (i) aiding, abetting, counselling or procuring the commission of the offence
  - (ii) inducing, whether by threats or promises or otherwise, the commission of the offence
  - (iii) being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence
  - (iv) conspiring with others to affect the commission of the offence.
- d) The AS8001:2008 Fraud and Corruption Control standard defines *corruption* as: 'Dishonest activity where an employee or external third party acts contrary to the interests of the Council by abusing their position of trust in order to achieve personal gain or advantage for themselves or for another person or entity. The concept of 'corruption' within this definition can also involve corrupt conduct by the Council, or a person purporting to act on behalf of and in the interest of the Council, in order to secure some form of improper advantage for the Council either directly or indirectly'.

**Council** is the Corporation of the City of Unley

**Directions and Guidelines** is a reference to the Directions and Guidelines issued by the Commissioner and is in force from time to time pursuant to section 20 of the *ICAC Act* and/or section 14 of the *Public Interest Disclosure Act 2018*, which are available on the Commissioner's website ([www.icac.sa.gov.au](http://www.icac.sa.gov.au)).

**Employee** is any person who is employed by the Council, but also includes any contractors, volunteers and consultants undertaking work for, or on behalf of the Council.

**A False Disclosure** is a disclosure of information relating to Fraud or Corruption that is made by a person who knows the information to be false or, who is reckless as to whether it is false.

**Fraud** is an intentional dishonest act or omission done with the purpose of deceiving.

The AS8001:2008 Fraud and Corruption Control standard defines fraud as:

*'Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This also includes deliberate falsification, concealment, destruction or use of falsified documentation or intended for use for a normal business purpose or the improper use of information or position for personal benefit financial or otherwise.'*

Note: unlike 'Corruption' there is no statutory definition of 'Fraud'. Fraud is a style of offending. The offences addressed under Part 5 and Part 6 of the *Criminal Law Consolidation Act 1935* are considered to constitute Fraud offences.

**ICAC Act** is the *Independent Commissioner Against Corruption Act 2012*.

**Local government body** defined at Section 4 of the *ICAC Act 2012* means a council or a subsidiary of a council established under the *Local Government Act 1999*.

**Maladministration in public administration** is defined in section 5(4) of the *ICAC Act* and means:

- i) Conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or
- ii) Conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and

Includes conduct resulting from impropriety, incompetence or negligence; and

Is to be assessed having regard to relevant statutory provisions and administration instructions and directions.

**Manager** means any Employee of the Council who is responsible for the direct supervision of other Employees, and/or, for the management of a Council Department.

**Misconduct in public administration** is defined in section 5(3) of the *ICAC Act* and means:

- i) contravention of a code of conduct by a public officer while acting in his or her capacity as a public officer that constitutes a ground for disciplinary action against the officer; or
- ii) other misconduct of a public officer while acting in his or her capacity as a public officer.

**Office for Public Integrity (OPI)** is the office established under the *ICAC Act* that has the function to:

- a) receive and assess complaints about public administration from members of the public
- b) receive and assess reports about Corruption, misconduct and maladministration in public administration from inquiry agencies (including the Ombudsman), public authorities (including the Council) and public officers
- c) refer complaints and reports to inquiry agencies, public authorities and public officers in circumstances approved by the Commissioner or make recommendations as to whether and by whom complaints and reports should be investigated
- d) give directions or guidance to public authorities in circumstances approved by the Commissioner;
- e) perform other functions assigned to the Office by the Commissioner.

**PID Act** means the *Public Interest Disclosure Act 2018*.

**Public administration** defined at section 4 of the *ICAC Act 2012* means without limiting the acts that may comprise public administration, an administrative act within the meaning of the *Ombudsman Act 1972* will be taken to be carried out in the course of public administration.

**Public Officer** defined under the *ICAC Act 2012* includes:

- a Council Member, and
- an Employee or Officer of the Council, and
- a member of a local government body.

**Publish** is defined in section 4 of the *ICAC Act*, and means publish by:

- a) Newspaper, radio or television
- b) Internet or other electronic means of creating and sharing content with the public or participating social networking with the public; or
- c) Any similar means of communication with the public.

**Relevant Authority** for the purposes of the *PID Act* means the person or entity that receives an appropriate disclosure of public interest information in accordance with the *PID Act*.

**Responsible Officer** is a person who has completed any training courses approved by the Commissioner for the purposes of the *Public Interest Disclosure Regulations 2019* and has been designated by the Council as a responsible officer under section 12 of the *PID Act*.

For the purposes of the *ICAC Act*, misconduct or maladministration in public administration will be taken to be **serious or systemic** if the misconduct or maladministration —

- is of such a significant nature that it would undermine public confidence in the relevant public authority, or in public administration generally; and
- has significant implications for the relevant public authority or for public administration generally (rather than just for the individual public officer concerned).

**Note:** further information about serious or systemic misconduct or maladministration is available at the ICAC website: <https://icac.sa.gov.au/glossary>

## 5. ROLES AND RESPONSIBILITIES

- 5.1. Roles and responsibilities under this Policy are set out in the following table using the RACI accountability matrix to indicate responsibilities applicable to Council Members, CEO, Managers, Employees and the Audit Committee.

RACI – Accountability Matrix	
<b>R</b>	<b>Responsible</b> – Person working on the activity
<b>A</b>	<b>Accountable</b> – Person with decision authority
<b>C</b>	<b>Consult</b> – Key stakeholder who should be included in the decision or work activity
<b>I</b>	<b>Inform</b> – Need to know of decision or action

Responsibility	Council Members	Chief Executive Officer	Managers	Employees	Audit Committee
1. Comply with this policy and any related legislation, policy, or procedure.	R	R	R	R	R
2. At all times in the performance of duties or in association with their role with Council, act in an ethical manner.	R	R	R	R	R
3. Promote a culture and environment in which Fraud, Corruption, Misconduct and Maladministration is discouraged and not tolerated	A	A	R	R	C+I
4. Remain scrupulous in the use of Council information, assets, funds, property, goods or services	A	R+A	R+A	R	I
5. Undertake awareness training or education regarding Fraud, Corruption, Maladministration and Misconduct.	I	R+A	R+A	R	I
6. Where relevant, comply with the <i>Public Interest Disclosure Act 2018</i>	C+I	R+A	R	R	I
7. Ensure appropriate internal controls are in place and operating effectively to minimise the risks of incidents	I	A	R+A	R	C+I
8. Ensure effective screening (e.g. criminal history) of employees, prospective employees, volunteers (as relevant) and contractors is undertaken, including by use of appropriate and effective contractual arrangements		A	R		

Responsibility	Council Members	Chief Executive Officer	Managers	Employees	Audit Committee
9. Ensure all powers and authorities are appropriately delegated to minimise the risk of Fraud, Corruption, Misconduct or Maladministration	A	R+A	C	I	
10. Ensure that where appropriate, proper investigations are conducted into allegations of Fraud, Corruption, Misconduct or Maladministration.	A+I	R+A			
11. Cooperate with any investigations undertaken by an external authority		A			
12. Undertake Fraud and Corruption risk assessments on a regular basis	I	A	R+A	R	I
13. Provide mechanisms for receiving allegations of Fraud, Corruption, Misconduct and Maladministration	I	A	R	I	I
14. Investigate matters of Fraud, Corruption, Misconduct and Maladministration	I	R+A			I
15. Report all instances of conduct known or reasonably suspected to be Fraud, Corruption, Maladministration or Misconduct in accordance with Council's policies	A	R+A	R+A	R	I
16. Review the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate	I	A	R	R	I

## 6. POLICY STATEMENT

6.1. The Council will not tolerate fraudulent or corrupt activity and is committed to its control and prevention by:

- complying with the requirements of the *Independent Commissioner Against Corruption Act 2012* (ICAC Act)
- establishing and maintaining an effective system of internal controls and enforcing compliance with those controls
- ensuring Fraud and Corruption risks are considered whilst undertaking risk assessments
- implementing Fraud and Corruption prevention and mitigation strategies in its day to day operations; including those outlined within the Better Practice Model – Internal Financial Controls
- taking appropriate action in response to allegations of fraudulent and/or corrupt activity including:

- (i) reporting allegations in accordance with the ICAC Act and the reporting system established by the Independent Commissioner Against Corruption (ICAC) under section 20 of the ICAC Act, and
  - (ii) where allegations are substantiated, in addition to applicable criminal sanctions, disciplinary action may be taken in accordance with the Codes of Conduct for Council Members and Council Employees or, if relevant, a Council Employee's contract of employment with the Council
- ensuring all Council Employees and Council Members are aware of their responsibilities and obligations in regards to the prevention of Fraud and Corruption within the Council and the inclusion of relevant education in any induction process
  - active participation in education and evaluation of practices relevant to Fraud and Corruption.
  - fostering an ethical environment in which dishonest and fraudulent behaviour is actively discouraged, and

## **6.2. Prevention**

6.2.1. The Council recognises that:

- the occurrence of Fraud and Corruption will prevail in an administrative environment where opportunities exist for waste, abuse and maladministration, and
- the most effective way to prevent the occurrence of Fraud and Corruption is to instil and continually reinforce a culture of acting lawfully, ethically and in a socially responsible manner, and to support this culture with the implementation of appropriate internal control mechanisms.

6.2.2. The Council expects that Elected Members and employees will assist with the achievement of a sound ethical culture and the prevention of Fraud and Corruption by:

- understanding the responsibilities of their positions;
- familiarising themselves with the Council's policies and procedures and adhering to them;
- understanding what behaviour constitutes fraudulent and/or corrupt conduct;
- maintaining an awareness of the strategies that have been implemented by the Council to minimise Fraud and Corruption;
- being continuously vigilant to the potential for Fraud and/or Corruption to occur, and
- reporting suspected or actual occurrences of Fraud or Corruption in accordance with this policy and the Directions and Guidelines issued by ICAC.

## **6.3. Educating for Awareness**

6.3.1. The Council recognises that the success and credibility of this Policy will largely depend on how effectively it is communicated throughout the organisation.

6.3.2. The Council will, take proactive steps towards ensuring staff are aware of Council's zero-tolerance stance towards Fraud, Corruption, Misconduct and Maladministration.

## **6.4. Reporting Corruption, or Systemic or Serious Misconduct and Maladministration**

- 6.4.1. In accordance with obligations for Public Officers under the ICAC Act, all reasonable suspicions of Corruption or Systemic or Serious Misconduct or Maladministration must report this information to the OPI as soon as practical.
- 6.4.2. Where reporting actual or suspected Corruption, or Systemic or Serious Misconduct or Maladministration to the OPI any requirements imposed by the Council's Fraud, Corruption, Misconduct and Maladministration framework (including those documents identified in section 3 of this Policy) should also, to the extent possible, be adhered to.
- 6.4.3. Public Officers as defined by the ICAC Act, have an obligation to report a reasonable suspicion of corruption, misconduct or maladministration in public administration. The ICAC has prepared Directions and Guidelines which set out the reporting obligations of public officers. The public officer may also make an appropriate disclosure in accordance with the requirements of the *Public Interest Disclosure Act 2018*.
- 6.4.4. Elected Members and staff should ensure they are aware of reporting obligations in relation to corruption, misconduct and maladministration in public administration.

**6.5. False Disclosure**

- 6.5.1. A Council employee who makes a false disclosure may also face disciplinary action which may include dismissal from employment.

**7. POLICY DELEGATIONS**

- 7.1. Nil

**8. LEGISLATION**

- Local Government Act 1999
- Independent Commissioner Against Corruption Act 2012 (ICAC Act)
- Criminal Law Consolidation Act 1935
- Public Interest Disclosure Act 2018

**9. AVAILABILITY OF POLICY**

- 9.1. The Policy is available for public inspection during normal office hours at:  
 The Civic Centre,  
 181 Unley Road, Unley SA 5061.

A copy may be purchased for a fee as determined annually by Council.

It is also available for viewing, download and printing free of charge from the Council's website [www.unley.sa.gov.au](http://www.unley.sa.gov.au).

**10. DOCUMENT HISTORY**

Date	Ref/Version No.	Comment
12/11/2013	A&G 75	New Policy
11/02/2014	A&G 80	
11/03/2014	Council 1072	

Item 2.5 - Attachment 1 - Fraud and Corruption Prevention Policy

26/06/2017	Council 887	