murchisonshire

Ancient land under brilliant skies

Audit Committee Meeting

26 September 2025

Attachments

Murchison Shire
Risk Dashboard Report
September 2025

Executive Summary

Being the Shire's fourth report under the introduced risk management framework, focus is on driving continual improvement. Future reports will continue to provide relevant insight and recommendations to assist governance activities for the Shire Management.
The review has identified that, given the financial constraints faced by the Shire, the controls that are in place are adequate or effective minimising the risks to the Shire. In addition, the review identified areas of improvement and the actions to be taken to achieve that improvement.
It is supported by the attached documents that were produced through a review and ensuing discussions since the commencement of a new management team comprising CEO, Community Manager and Works Manager supplemented by RSM Financial Accontant..

Attachment 1 - Risk Profiles for the 15 themes identified.

Recommendations

That the Audit Committee, considers and notes the Chief Executive Officer's Audit Regulation Section 17(3) Review Report of the appropriateness and effectiveness of the Shire's systems and procedures in relation to: risk management, internal control, legislative compliance and reports to the Council of its review.

Misconduct

	Risk	Control
	Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*
Review SynergySoft licences and purchase order system	*Ongoing*	*Finance Officer*
Update IT password controls	*Ongoing*	*CEO/Community Manager/Finance Officer/PCS*
More concise documentation of processes and practices	*Ongoing*	*CEO*

Business disruption

	Risk	Control
	Low	Adequate

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Annually*	*CEO*
Formalise Business Continuity Plan	*Oct-27*	*CEO*
Ongoing Continuous Improvement and Monitoring	*Oct-27*	*CEO*

Inadequate environmental management

	Risk	Control
	Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Water Bores to be licenced	*Annually*	*Works Manager*
Forward Planning of Native Vegetation Clearance Applications	*Ongoing*	*Works Manager*
Forward Planning of Aboriginal Heritage Clearance Applications	*Ongoing*	*Works Manager*

Errors, omissions & delays

	Risk	Control
	Low	Adequate

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*

External theft & fraud (inc. Cyber Crime)

	Risk	Control
	Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO/Community Manager/Works Manager*
CCTV on Fuel Tanks	*Ongoing*	*CEO/Community*

Failure of IT &/or communication systems and infrastructure

	Risk	Control
	Moderate	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO/Community Manager/ Works Manager/PCS*

Murchison Shire
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Failure to fulfil statutory, regulatory or compliance requirements

Risk	Control
Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*

Inadequate safety and security practices

Risk	Control
Moderate	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Reinforce Safety Culture and Requirements	*Ongoing*	*CEO*
Continue to implement key controls	*Ongoing*	*Works*
Safety Audit undertaken	*Sep-27*	*Works*
Safe Work Procedures developed	*Sep-27*	*Works*

Inadequate document management processes

Risk	Control
Low	Adequate

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO/Community Manager*
Records Management Training - Emails	*Ongoing*	*All Staff*
Records Disaster Plan Reviewed	*Sep-27*	*CEO/Community Manager*

Ineffective employment practices

Risk	Control
Moderate	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Training Needs Analysis & Training Register	*Ongoing*	*Community Manager*
Workforce Plan (Succession Planning Component)	*Ongoing*	*CEO/Community Manager*
Staff housing. Review occupancy needs and add if required	*Ongoing*	*CEO/Community Manager*
Continue upgrade of the existing housing stock	*Ongoing*	*CEO/Community Manager*

Inadequate engagement practices

Risk	Control
Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*
Review and adopt Strategic Community Plan	*Sep-27*	*CEO*

Inadequate project / change management

Risk	Control
Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Key staff to undertake professional development in project and contract management	*Ongoing*	*CEO/Community Manager/Works Manager*
Ongoing Continuous Improvement and Monitoring Change	*Ongoing*	*CEO/Community Manager/Works Manager*

Inadequate asset sustainability practices

Risk	Control
Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Part review asset management strategies and practices	*Annually*	*CEO*
Complete updated review of asset management strategies and practices	*Annually*	*CEO*
Development of a 3 year Rolling Works Program	*Annually*	*CEO*

Inadequate supplier / contract management

Risk	Control
Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Key staff to undertake professional development in project and contract management	*Ongoing*	*CEO/Community Manager/Works Manager*

Ineffective management of facilities / venues / events

Risk	Control
Low	Effective

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*

Misconduct Sep-25

This Risk Theme is defined as;

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:
• Relevant authorisations not obtained.
• Distributing confidential information.
• Accessing systems and / or applications without correct authority to do so.
• Misrepresenting data in reports.
• Theft by an employee
• Collusion between Internal & External parties
This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

Potential causes include;

- Changing of job titles
- Delegated authority process inadequately implemented
- Disgruntled employees
- Poor internal checks (PO's and delegated authority)
- Password sharing

Key Controls	Type	Date	Shire Rating
Delegation Register - Framework	*Preventative*	*Sep-25*	***Effective***
Delegation Control - Synergy	*Preventative*	*Sep-25*	***Effective***
Segregation of Duties (Financial)	*Preventative*	*Sep-25*	***Adequate***
IT Security Access Controls (Profiles & Passwords)	*Preventative*	*Sep-25*	***Effective***
External Monthly Financial Reports	*Detective*	*Sep-25*	***Effective***
Induction Process (Code of Conduct)	*Preventative*	*Sep-25*	***Effective***
Purchasing Policy & Procedures	*Preventative*	*Sep-25*	***Effective***
Procurement Process (Purchase Order Process)	*Preventative*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Audit Management Letter	*Minor Items*	Various Years	Minor Items only
No adverse findings	*Zero*	Various Years	Zero

Comments

CEO Comments

The day to day systems and procedures have significantly improved over the previous period with RSM Engagement three years ago providing a significant increase in expertise in the financial management and risk areas. Improvements undertaken since last formal review included reviews and updates to all key controls including recognition that with such a small office cohort strict segregation of duties is not always possible. Time and resources availability is still is an issue but significantly approved since the last review. There have been no adverse findings of any consequence.

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*
Review SynergySoft licences and purchase order system	*Ongoing*	*Finance Officer*
Update IT password controls	*Ongoing*	*CEO/Community Manager/Finance Officer/PCS*
More concise documentation of processes and practices	*Ongoing*	*CEO*

Inadequate environmental management — Sep-25

This Risk Theme is defined as;

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

- Lack of adequate planning and management of erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Ineffective management of water sources (reclaimed, potable)
- Weed control
- Illegal dumping.
- Illegal clearing / land use.
- Vermin / Wild dog

Potential causes include;

- Inadequate management of landfill sites
- lack of understanding / knowledge
- Inadequate local laws / planning schemes
- Inadequate reporting / oversight frameworks
- Community apathy.

Key Controls	Type	Date	Shire Rating
Wild Dog Bounty Scheme	*Preventative*	*Sep-25*	***Effective***
Mosquito Fogging	*Preventative*	*Sep-25*	***Effective***
Settlement Waste Facility	*Preventative*	*Sep-25*	***Effective***
RV Dump Point	*Preventative*	*Sep-25*	***Effective***
Road Drainage and bunding of old roads	*Preventative*	*Sep-25*	***Effective***
Ranger	*Preventative*	*Sep-25*	***Effective***
Supply Wild Dog Bait	*Preventative*	*Sep-25*	***Effective***
Clearing Permits	*Preventative*	*Sep-25*	***Adequate***
Water Bore Licences	*Preventative*	*Sep-25*	***Adequate***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Infringement Notices Received	*Zero*	Sep-25	Zero

Comments

CEO Comments

Many of the key controls are either not applicable to Council or only required to be applied at a low level due to the sparseness of the Shire and low population. Previous experience and delays in obtain Native Vegetation Clearances for gravel pits meant that a more forward planning approach was required and is being implemented. Road drainage and bunding of old road continues to occur in accordance with and updated Roads for Rehydration Policy approach. .There have been no adverse findings of any consequence. Additional vermin control subsidy to doggers has also been introduced. Recent mosquito sampling program has also commenced.

Current Issues / Actions / Treatments	Due Date	Responsibility
Water Bores to be licenced	*Annually*	*Works Manager*
Forward Planning of Native Vegetation Clearance Applications	*Ongoing*	*Works Manager*
Forward Planning of Aboriginal Heritage Clearance Applications	*Ongoing*	*Works Manager*

External theft & fraud (inc. Cyber Crime) Sep-25

This Risk Theme is defined as;
Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;
• Fraud – benefit or gain by deceit
• Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
• Theft – stealing of data, assets or information (no deceit)
Examples include:
• Scam Invoices
• Cash or other valuables from 'Outstations'.

Potential causes include;

- Inadequate security of equipment / supplies / cash
- Robbery
- Scam Invoices
- Lack of Supervision
- Plant and Equipment left in open areas

Key Controls	Type	Date	Shire Rating
Fenced and Locked Depot	*Preventative*	*Sep-25*	***Effective***
Visitor Sign-in Register	*Detective*	*Sep-25*	***Effective***
Tight Fiscal Controls	*Preventative*	*Sep-25*	***Effective***
Fidelity Insurance	*Recovery*	*Sep-25*	***Effective***
Fuel Tank Locks and Procedures	*Preventative*	*Sep-25*	***Effective***
Creditors Processing Procedures	*Preventative*	*Sep-25*	***Effective***
Purchasing Policy & Procedures	*Preventative*	*Sep-25*	***Effective***
Procurement Process (Purchase Order Process)	*Preventative*	*Sep-25*	***Effective***
IT Firewall Systems	*Preventative*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Reports of theft or fraud	*Nil*	Sep-25	Nil

Comments
CEO Comments
There have been no adverse findings encountered
- Eftsure payment authorisations have now been introduced with risk of unauthorised creditor payments being significantly reduced
- Fuel reconciliation has been significantly improved during the period since the last review.
- CCTV on Fuel Tanks was again considered. At this stage the risk is deemed to be low but will be reviwed in light of starlink avalability and coverage

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO/Community Manager/Works Manager*
CCTV on Fuel Tanks	*Ongoing*	*CEO/Community Manager/Works Manager*

Failure to fulfil statutory, regulatory or compliance requirements — Sep-25

This Risk Theme is defined as;

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices)

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

Potential causes include;

- Lack of training, awareness and knowledge
- Staff Turnover
- Inadequate record keeping
- Ineffective processes
- Lack of Legal Expertise
- Councillor Turnover
- Breakdowns in Tender process
- Ineffective monitoring of changes to legislation

Key Controls	Type	Date	Shire Rating
Compliance Return (DLG)	*Detective*	*Annually*	***Effective***
Compliance Calendars	*Preventative*	*Annually*	***Effective***
External Experts	*Preventative*	*Sep-25*	***Effective***
External Auditor Reviews (Compliance)	*Detective*	*Sep-25*	***Effective***
Subscriptions (WALGA)	*Preventative*	*Sep-25*	***Effective***
Induction Process - Councillors / Staff	*Preventative*	*Sep-25*	***Effective***
Staff Network Channels	*Preventative*	*Sep-25*	***Effective***
Tender / EOI Process	*Preventative*	*Sep-25*	***Effective***
Overall Control Ratings:			***Effective***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Clear Compliance Return	*Zero*	Previous Annual Reviews	Zero
Audit Management Letter	*Minor Items*	Annually	Minor Items Only

Comments

CEO Comments

All of the controls are being implemented. Improvements are dependent in part on the skills and availability of staff, resources and time available as well as conflicting priorities . There have however been no adverse findings of any consequence

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*

Inadequate document management processes — Sep-25

This Risk Theme is defined as;

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:
• Contact lists.
• Procedural documents.
• 'Application' proposals/documents.
• Contracts.
• Forms, requests or other documents.

Potential causes include;

- Spreadsheet/Database/Document corruption or loss
- Inadequate access and / or security levels
- Inadequate Storage facilities (including climate control)
- High Staff turnover
- Outdated record keeping practices / incompatible systems
- Lack of system/application knowledge
- High workloads and time pressures
- Incomplete authorisation trails

Key Controls	Type	Date	Shire Rating
Policy & Procedural Review Process	*Preventative*	*Ongoing*	***Effective***
Records Management Process	*Preventative*	*Ongoing*	***Adequate***
Records Management Policy	*Preventative*	*Ongoing*	***Adequate***
Records Management Plan	*Preventative*	*Ongoing*	***Adequate***
Document / Correspondence Receipt & Action Process	*Preventative*	*Ongoing*	***Effective***
Filing System	*Preventative*	*Ongoing*	***Effective***
		Ongoing	
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Annual Internal audit of records management process	*Zero*		

Comments

CEO Comments
Document management processes controls are considered adequate but also dependent in part on the skills of staff and expertise of staff that we can attract. Records management plan has been adopted but still has to be widely implemented. This and other tasks are dependent on availability and skills of staff and competing priorities.
Previous Actions
- Development of climate controlled storage facilities. New air-conditioned container has been purchased and installed

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO/Community Manager*
Records Management Training - Emails	*Ongoing*	*All Staff*
Records Disaster Plan Reviewed	*Sep-27*	*CEO/Community Manager*

Inadequate engagement practices Sep-25

This Risk Theme is defined as;
Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;
- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Potential causes include;
- Budget / funding issues
- Media attention
- Inadequate documentation or procedures
- Staff shortages
- Short lead times
- Miscommunication / Poor communication
- Relationship breakdowns with community groups

Key Controls	Type	Date	Shire Rating
Annual Electors Meeting	*Detective*	*Annually*	***Effective***
Community Working Groups	*Detective*	*Ongoing*	***Effective***
CEO Oversight	*Preventative*	*Ongoing*	***Effective***
Community Newsletter	*Preventative*	*Ongoing*	***Effective***
MEG Member	*Preventative*	*Ongoing*	***Effective***
Regional Working Groups	*Preventative*	*Ongoing*	***Effective***
Mid West Regional Development Commission	*Preventative*	*Ongoing*	***Effective***
Community Email Circulations	*Preventative*	*Ongoing*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Community Satisfaction Feedback	*70%*		

Comments

CEO Comments
The very small size of the community and their strong relationship with elected members engenders trust and provides a positive check and balance. There have been very few adverse outcomes and generally positive feedback regularly obtained. Rossco's Rundown, a summary of actions from the Council Meeting which being distributed regularly to the community. Development of an Annual Community Satisfaction Survey has not been undertaken not is it considered warranted. Following review it is considered that the nature of the relationship between Council and the Community is such that other community engagement measures are considered more important. A Shire wide community meeting in addition to the Electors Meeting is now undertaken annually on Christmas Tree Day and where feedback is obtained and if suggestions are deemed worthwhile changes are implemented. Strategic Community Plan is the only remaining Plans for The Future document still required to be reviewed but we are well on track for this to be undertaken with significant cultural development refinements in train.

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*
Review and adopt Strategic Community Plan	*Sep-27*	*CEO*

Inadequate asset sustainability practices — Sep-25

This Risk Theme is defined as;

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential causes include;

- Skill level & behaviour of operators
- Lack of trained staff
- Outdated equipment
- Unavailability of parts
- Lack of formal or appropriate scheduling (maintenance / inspections)
- Unexpected breakdowns

Key Controls	Type	Date	Shire Rating
Asset Management Plan	*Preventative*	*Annually*	***Effective***
Annual Building Maintenance Schedule	*Detective*	*Annually*	***Effective***
Plant Replacement Program	*Preventative*	*Annually*	***Effective***
Plant Maintenance Schedule	*Preventative*	*Annually*	***Effective***
Road Asset Management System (ROMAN2)	*Preventative*	*Annually*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Detailed Long Term Asset Management Plan		Annually	
Three Year Now Fours Year Rolling Works Program		Annually	
% Satisfaction with Shire Assets		Annually	90%

Comments

CEO Comments

Councils primary asset base is associated with our road network. Whilst the Asset Sustainability, Consumption and Renewal Ratio Indicators are from an accounting viewpoint one aspect to considered in assessing overall asset sustainability performance, there are many other factors to considered more relevant. From a financial accounting perspective Ratios relay on some overall benchmark which is subjective. Cash positions as shown in a long-term financial plan are far more representative and of value. The information that makes up the calculation of each ratio is also subject to question depending on the timing of an entities an asset valuation and the degree of sophistication of the asset management plan. A review commenced in 2019/20 highlighted that a nuanced road by road approach was required. This has now been actioned and asset management plan updated annually. The Tolerance limits mentioned are also need to be tailor made to local circumstances.

Other more realistic measures include the range of assets and services offered, material source and standards of gravel, water availability, efficiency of services delivered, community satisfaction, sparseness, and major events such as flood repairs which invariably improve the quality and function of the Asset .

Over the past 4 years Council has strategically increased the seal on the Carnarvon-Mullewa Road with 35km having been constructed and sealed such that the entire length from the Murchison Settlement to the southern Shire boundary. This road has a MRWA is classification as a Regional Distributor which has seen an increase in road funding in what is a merit based assessment. The Shire has 143km of sealed roads but 1,841km of gravel roads.

The standards and risks associated with maintaining each are markedly different. Anecdotally from observation and community feedback Councils gravel road network continues to receive favourable reviews including those from experienced off road travellers. Council is in a moderately comfortable combined cash reserves and position and has a limited array of long non roads related expenditures in the future.

Current Issues / Actions / Treatments	Due Date	Responsibility
Part review asset management strategies and practices	*Annually*	*CEO*
Complete updated review of asset management strategies and practices	*Annually*	*CEO*
Development of a 3 year Rolling Works Program	*Annually*	*CEO*

Ineffective management of facilities / venues / events — Sep-25

This Risk Theme is defined as;

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (e.g. cleaning / maintenance)

Potential causes include;

- Double bookings
- Illegal alcohol consumption
- Managing bond payments
- Animal contamination.
- Failed chemical / health requirements.
- Access to facilities / venues.

Key Controls	Type	Date	Shire Rating
Contracted EHO	*Preventative*	*Annually*	***Effective***
Booking Diary	*Preventative*	*Annually*	***Effective***
Maintenance Schedules	*Detective*	*Annually*	***Effective***
Event Bonds Charged	*Recovery*	*Annually*	***Effective***

Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Rare*

Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Double bookings	*Zero*	Sep-25	Zero
Community Satisfaction Rating	*90% Satisfaction*	Sep-25	92%

Comments

CEO Comments

Murchison's remoteness means that invariably hire of external facilities are a rare occurrence. Council run Murchison Camp Oven Muster Festival and Christmas Tree Day are the only two moderate events undertaken annually and are managed by the Shire. Murchison Polocrosse is also externally run annually with Shire staff also providing pre during the event and post event clean up as part of the Shire's overall assistance. Shire staff are also regularly involved in Shire events and when the venue is used fro smaller functions. This overall direct control significantly minimises risks

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*

Business disruption Sep-25

This Risk Theme is defined as;

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Potential causes include;

- Cyclone, Flood, Fire, Earthquake, Severe Weather, Drought
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended power outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Date	Shire Rating
Records Management Plan	*Preventative / Recovery*	*Sep-25*	***Adequate***
Business Continuity Plans	*Recovery*	*Sep-25*	***Inadequate***
District Emergency Management Committee	*Preventative*	*Sep-25*	***Effective***
LEMC	*Preventative*	*Sep-25*	***Effective***
LEMA	*Recovery*	*Sep-25*	***Effective***
Insurance Cover	*Recovery*	*Sep-25*	***Effective***
Alternative Locations for Office	*Recovery*	*Sep-25*	***Effective***
Volunteer Bushfire Brigade	*Recovery*	*Sep-25*	***Effective***
LEM Exercises	*Detective*	*Sep-25*	***Adequate***
Bushfire Maps (Local Infrastructure and Fuel Loads)	*Detective*	*Sep-25*	***Adequate***
Shire Subsidises Freight on Key Consumables	*Preventative*	*Sep-25*	***Effective***
Shire Provision of Power and Water	*Preventative*	*Sep-25*	***Effective***
COVID-19 Pandemic	*Recovery*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Plans reviewed on annual basis	*Zero*		

Comments

CEO Comments

Overall general performance continually improving. In responding to the COVID-19 Coronavirus Council resolved to act in accordance with the following principles and rationale associated with health and economic activity namely that

- our overriding responsibility is to act to protect our citizens and community to prevent, control or abate the serious public health risk presented by COVID-19 by limiting the spread of COVID-19 and

- that Council will act to ensure that we can function and deliver the required works and services to support and stimulate the local economy.

As a result such proactive response to the COVID-19 Pandemic saw little disruption to business with significant emphasis in responsibly accelerating works to support and stimulate the local economy

Meanwhile with the exception of a Business Continuity Plan, which is to be addressed moving forward, implementation of other controls is considered to be satisfactory.

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Annually*	*CEO*
Formalise Business Continuity Plan	*Oct-27*	*CEO*
Ongoing Continuous Improvement and Monitoring	*Oct-27*	*CEO*

Errors, omissions & delays — Sep-25

This Risk Theme is defined as;

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer “Inadequate Document Management Processes”.

Potential causes include;

- Human Error
- Inadequate procedures or training
- Lack of Staff (or trained staff)
- Incorrect information
- Miscommunication

Key Controls	Type	Date	Shire Rating
Documented Procedures / Checklists	*Preventative*	*Sep-25*	***Effective***
Small Multiskilled Workforce	*Preventative*	*Sep-25*	***Effective***
Outsourced Advisory/Specialist Services	*Preventative*	*Sep-25*	***Effective***
Complaints Register	*Detective*	*Sep-25*	***Effective***
Segregation of Duties (Financial Control)	*Preventative*	*Sep-25*	***Effective***
External Month End Financial Report	*Detective*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Adequate***

Risk Ratings	Shire Rating
Consequence:	*Minor*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Adverse legal findings	*Zero*	Sep-25	Zero
Adverse finding following formal complaints to DLGC Standards Panel	*Zero*	Sep-25	Zero

Comments

CEO Comments

Progress is very much related to staff skills time availability which is improving.

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO*
Refine procedures and documentation	*Ongoing*	*CEO*

Failure of IT &/or communication systems and infrastructure — Sep-25

This Risk Theme is defined as;

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include;

- Weather impacts
- Power outage
- Out dated / inefficient hardware
- Incompatibility between operating systems and software
- Vermin damage
- Infrastructure breakdown such as landlines, radio communications.
- Lack of training
- Software vulnerability

Key Controls	Type	Date	Shire Rating
External Data Back up Systems	*Recovery*	*Sep-25*	***Effective***
External Service Providers	*Preventative*	*Sep-25*	***Effective***
Generators On Site	*Preventative*	*Sep-25*	***Effective***
UPS	*Recovery*	*Sep-25*	***Effective***
Disaster Recovery Plan in Records Management Plan	*Recovery*	*Sep-25*	***Adequate***
Multiple Phone / Fax Lines	*Preventative*	*Sep-25*	***Effective***
Satellite Internet	*Preventative*	*Sep-25*	***Effective***
UHF / VHF	*Recovery*	*Sep-25*	***Effective***
Sat Phones	*Recovery*	*Sep-25*	***Effective***
Direct Access Phone	*Recovery*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
Virus Reports	*Nil Infections*	*Sep-25*	
Successful Backups	*One unsuccessful backup per month*	*Sep-25*	

Comments

CEO Comments
- Previous Actions
- Implement feedback report on back up testing and virus infections. PCS now monitor this as par of there service
- Investigate options to upgrade generators. Investigation completed with two new units installed in 2021. Since this time electrical system has been substantially upgraded with installation of a new main switch board with a new powerhouse to be installed in 2025. Meanwhile other electrical upgrades at the local building level continue to be implemented.

Current Issues / Actions / Treatments	Due Date	Responsibility
Ongoing Continuous Improvement and Monitoring	*Ongoing*	*CEO/Community Manager/ Works Manager/PCS*

Inadequate safety and security practices Sep-25

This Risk Theme is defined as;
Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

Potential causes include;

- Lack of appropriate PPE / Equipment
- Inadequate first aid supplies or trained staff
- Poor housekeeping
- Inadequate security arrangements
- Inadequate signage, barriers or other exclusion techniques
- Storage and use of Dangerous Goods
- Ineffective / inadequate testing, sampling (similar) health based req'
- Lack of mandate and commitment from Senior Management

Key Controls	Type	Date	Shire Rating
Prestart Checks - Works	*Detective*	*Sep-25*	***Effective***
Employee Safety Handbook	*Preventative*	*Sep-25*	***Effective***
Staff Reviews / Training Plans	*Preventative*	*Sep-25*	***Effective***
Hazard Register	*Detective*	*Sep-25*	***Adequate***
Incident / Accident Register	*Recovery*	*Sep-25*	***Adequate***
Contractor / Site Inductions	*Preventative*	*Sep-25*	***Adequate***
Dangerous Good Handling (Roadhouse)	*Preventative*	*Sep-25*	***Effective***
PPE	*Preventative*	*Sep-25*	***Adequate***
First Aid Training and Supplies	*Preventative*	*Sep-25*	***Effective***
Health and Wellbeing Assessments	*Detective*	*Sep-25*	***Effective***
MSDS	*Preventative*	*Sep-25*	***Effective***
Sat Phones and UHF Equipment	*Recovery*	*Sep-25*	***Effective***
Isolated workers contacted on Regular basis	*Recovery*	*Sep-25*	***Effective***
Staff Inductions	*Preventative*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
Audit Results	*No Major Non-conformances*		
Lost time injury	*Zero*		
Successful Public Liability claims	*Zero*	*Sep-25*	*Zero*

Comments
CEO Comments
Reinforce Safety Culture and Requirements are continually reinforced and group issue raised and documented as part of the monthly Tool Box Meeting

Current Issues / Actions / Treatments	Due Date	Responsibility
Reinforce Safety Culture and Requirements	*Ongoing*	*CEO*
Continue to implement key controls	*Ongoing*	*Works Manager/Community Manager*
Safety Audit undertaken	*Sep-27*	*Works Manager/Community Manager*
Safe Work Procedures developed	*Sep-27*	*Works Manager/Community Manager*

Ineffective employment practices — Sep-25

This Risk Theme is defined as;

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

Potential causes include;

- Leadership failures
- Available staff
- Single Person Dependencies
- Poor internal communications / relationships
- Ineffective performance management programs or procedures.
- Ineffective training programs or procedures.
- Limited staff availability - isolation
- Inadequate Induction practices.

Key Controls	Type	Date	Shire Rating
WALGA Workplace Solutions	*Preventative*	*Sep-25*	***Effective***
Toolbox Meetings	*Preventative*	*Sep-25*	***Effective***
Personnel Files	*Preventative*	*Sep-25*	***Effective***
Training Needs Analysis & Training Register	*Preventative*	*Sep-25*	***Adequate***
Workforce Plan (Succession Planning Component)	*Preventative*	*Sep-25*	***Effective***
Staff Inductions (Code of Conduct Component)	*Preventative*	*Sep-25*	***Effective***
Attraction and Retention Benefits	*Preventative*	*Sep-25*	***Effective***
Performance Review Process	*Detective*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Unlikely*
Overall Risk Ratings:	***Moderate***

Key Indicators	Tolerance	Date	Overall Shire Result
% Staff turnover rate	*10%*		
Absenteeism	*5d/y/p*		
Workers Compensation Claims (Stress Claims)	*nil*		

Comments

CEO Comments

Employment practices are undertaken in a nuanced manner due to our remote location, very small staff numbers and requirements to provide housing at a reasonable standard for our environment for all employees. This means that securing highly qualified staff is limited with the need to maximise the use of available local talent wherever possible.

Previous Actions

- Council Meeting Debrief with all staff regularly undertaken This is done through regular Tool Box Meetings
- Training Needs Analysis & Training Register
- Organisations Strategy including Workforce Plan Completed.
- Staff Inductions (Code of Conduct Component). Regularly applied
- Attraction and Retention Benefits. 2019/20 saw the construction of 2 new staff houses as well as commencing a long overdue upgrade of the existing housing stock and providing storage containers or shed where required. Review of occupancy needs occurs on a continuous basis with an approach to include upgrade of the existing housing stock where required. This has led to 5 new dwelling units being under construction in 2025/26 .

Current Issues / Actions / Treatments	Due Date	Responsibility
Training Needs Analysis & Training Register	*Ongoing*	*Community Manager*
Workforce Plan (Succession Planning Component)	*Ongoing*	*CEO/Community Manager*
Staff housing. Review occupancy needs and add if required	*Ongoing*	*CEO/Community Manager*
Continue upgrade of the existing housing stock	*Ongoing*	*CEO/Community Manager*

Inadequate project / change management — Sep-25

This Risk Theme is defined as;

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Asset Sustainability Practices"

Potential causes include;

- Lack of communication and consultation
- Lack of investment
- Ineffective management of expectations (scope creep)
- Inadequate project planning (resources/budget)
- Large or unique projects
- Inadequate monitoring and review
- Project risks not managed effectively
- Lack of project methodology knowledge and reporting requirements

Key Controls	Type	Date	Shire Rating
Outsource - Major Project Components	*Preventative*	*Sep-25*	***Effective***
CEO / Works Manager ongoing review and adjustment of all operations	*Detective*	*Sep-25*	***Effective***
Council Project Reporting	*Detective*	*Sep-25*	***Effective***
Capital Works Program	*Preventative*	*Sep-25*	***Effective***
Integrated Planning Framework	*Preventative*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Moderate*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Major Project Actual vs Budget	*10%*		
Major Project duration	*10%*		

Comments

CEO Comments

2025 Organisation Strategy Rationale including Workforce Plan has proactively laid out improvement paths that are being developed with CEO/Community Manager / Works Manager continue to implement Change Management on a conditions basis, with regular updates and directions in consultation with Council

Current Issues / Actions / Treatments	Due Date	Responsibility
Key staff to undertake professional development in project and contract management	*Ongoing*	*CEO/Community Manager/Works Manager*
Ongoing Continuous Improvement and Monitoring Change	*Ongoing*	*CEO/Community Manager/Works Manager*

Inadequate supplier / contract management Sep-25

This Risk Theme is defined as;
Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:
• Concentration issues
• Vendor sustainability

Potential causes include;

- Funding
- Complexity and quantity of work
- Inadequate tendering process
- Geographical remoteness
- Inadequate contract management practices
- Ineffective monitoring of deliverables
- Lack of planning and clarity of requirements
- Historical contracts remaining

Key Controls	Type	Date	Shire Rating
Murchison Oasis Roadhouse Lease (note now a Shire Operation)	*Preventative*	*Sep-25*	***Effective***
Contracts with Key Suppliers	*Preventative*	*Sep-25*	***Effective***
Tender / EOI Process	*Preventative*	*Sep-25*	***Effective***
Outsource Large Tenders	*Preventative*	*Sep-25*	***Effective***
WALGA Preferred Supplier	*Preventative*	*Sep-25*	***Effective***
		Overall Control Ratings:	***Effective***

Risk Ratings	Shire Rating
Consequence:	*Major*
Likelihood:	*Rare*
Overall Risk Ratings:	***Low***

Key Indicators	Tolerance	Date	Overall Shire Result
Valid Complaints re Tender Process	*Zero*	*Sep-25*	No complaints received

Comments
CEO Comments
All controls are being actioned noting that the Murchison Oasis Roadhouse is now a Council Operation with sub lease requirements redundant.

Current Issues / Actions / Treatments	Due Date	Responsibility
Review of Contract due dates and scope	*Ongoing*	*CEO/Community Manager/Works Manager*

Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence							
Rating (Level)	**Health**	**Financial Impact**	**Service Interruption**	**Compliance**	**Reputational**	**Property**	**Environment**
Insignificant (1)	Negligible injuries	Less than $1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor (2)	First aid injuries	$1,001 - $10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Medical type injuries	$10,001 - $50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury	$50,001 - $250,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than $250,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Rating	**Description**	**Frequency**	**Probability**
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix						
Consequence		**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Likelihood		**1**	**2**	**3**	**4**	**5**
Almost Certain	**5**	**Moderate (5)**	**High (10)**	**High (15)**	**Extreme (20)**	**Extreme (25)**
Likely	**4**	**Low (4)**	**Moderate (8)**	**High (12)**	**High (16)**	**Extreme (20)**
Possible	**3**	**Low (3)**	**Moderate (6)**	**Moderate (9)**	**High (12)**	**High (15)**
Unlikely	**2**	**Low (2)**	**Low (4)**	**Moderate (6)**	**Moderate (8)**	**High (10)**
Rare	**1**	**Low (1)**	**Low (2)**	**Low (3)**	**Low (4)**	**Moderate (5)**

Risk Acceptance Criteria			
Risk Rank	**Description**	**Criteria**	**Responsibility**
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Staff
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Staff
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings		
Rating	**Foreseeable**	**Description**
Effective	There is <u>little</u> scope for improvement.	1. Processes (Controls) operating as intended and aligned to Policies / Procedures. 2. Subject to ongoing monitoring. 3. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	1. Processes (Controls) generally operating as intended, however inadequacies exist. 2. Nil or limited monitoring. 3. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	1. Processes (Controls) not operating as intended. 2. Processes (Controls) do not exist, or are not being complied with. 3. Have not been reviewed or tested for some time.

Murchison Shire Risk Dashboard Report Summary 2014-2025

Risk Profile	2014		2016		2020		2025	
	Risk	Control	Risk	Control	Risk	Control	Risk	Control
Misconduct	Low	Effective	Low	Adequate	Low	Adequate	Low	Effective
Inadequate environmental management	Moderate	Adequate	Low	Adequate	Low	Adequate	Low	Effective
External theft & fraud (inc. Cyber Crime)	Low	Effective	Low	Effective	Low	Effective	Low	Effective
Failure to fulfil statutory, regulatory or compliance requirements	Moderate	Effective	Low	Effective	Low	Effective	Low	Effective
Inadequate document management processes	Moderate	Effective	Moderate	Adequate	Moderate	Adequate	Low	Adequate
Inadequate engagement practices	Low	Effective	Low	Effective	Low	Effective	Low	Effective
Inadequate asset sustainability practices	High	Adequate	High	Effective	Moderate	Effective	Low	Effective
Ineffective management of facilities / venues / events	Moderate	Effective	Low	Effective	Low	Effective	Low	Effective
Business disruption	Moderate	Adequate	Moderate	Adequate	Moderate	Adequate	Low	Adequate
Errors, omissions & delays	Moderate	Adequate	Moderate	Adequate	Moderate	Adequate	Low	Adequate
Failure of IT &/or communication systems and infrastructure	Moderate	Adequate	Moderate	Effective	Moderate	Effective	Moderate	Effective
Inadequate safety and security practices	High	Adequate	Moderate	Adequate	Moderate	Adequate	Moderate	Effective
Ineffective employment practices	High	Adequate	Moderate	Adequate	Moderate	Adequate	Moderate	Effective
Inadequate project / change management	High	Adequate	Moderate	Effective	Moderate	Effective	Low	Effective
Inadequate supplier / contract management	Low	Adequate	Moderate	Effective	Moderate	Effective	Low	Effective

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Ancient land under brilliant skies

Policy Procedures and Framework 12 December 2020

1.10 Risk Management

Well-being

Civic Leadership

Statement

As per the attached Risk Management Governance Framework.

Objectives

As per the attached Risk Management Governance Framework.

Details

As per the attached Risk Management Governance Framework.

Previous

2005 Policy Manual - 25 November 2020 Update

Risk Management Governance Framework

- Risk Management Policy
- Risk Management Procedures

Last Updated: November 2014

Version: 1.00

Shire of Murchison

Prepared by: LGIS Risk Management

Table of Contents

Introduction

The Policy and Procedures form the Risk Management Framework for the Shire of Murchison (the "Shire"). It sets out the Shire's approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2009 Risk Management.

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

Further information or guidance on risk management procedures is available from LGIS Risk Management.

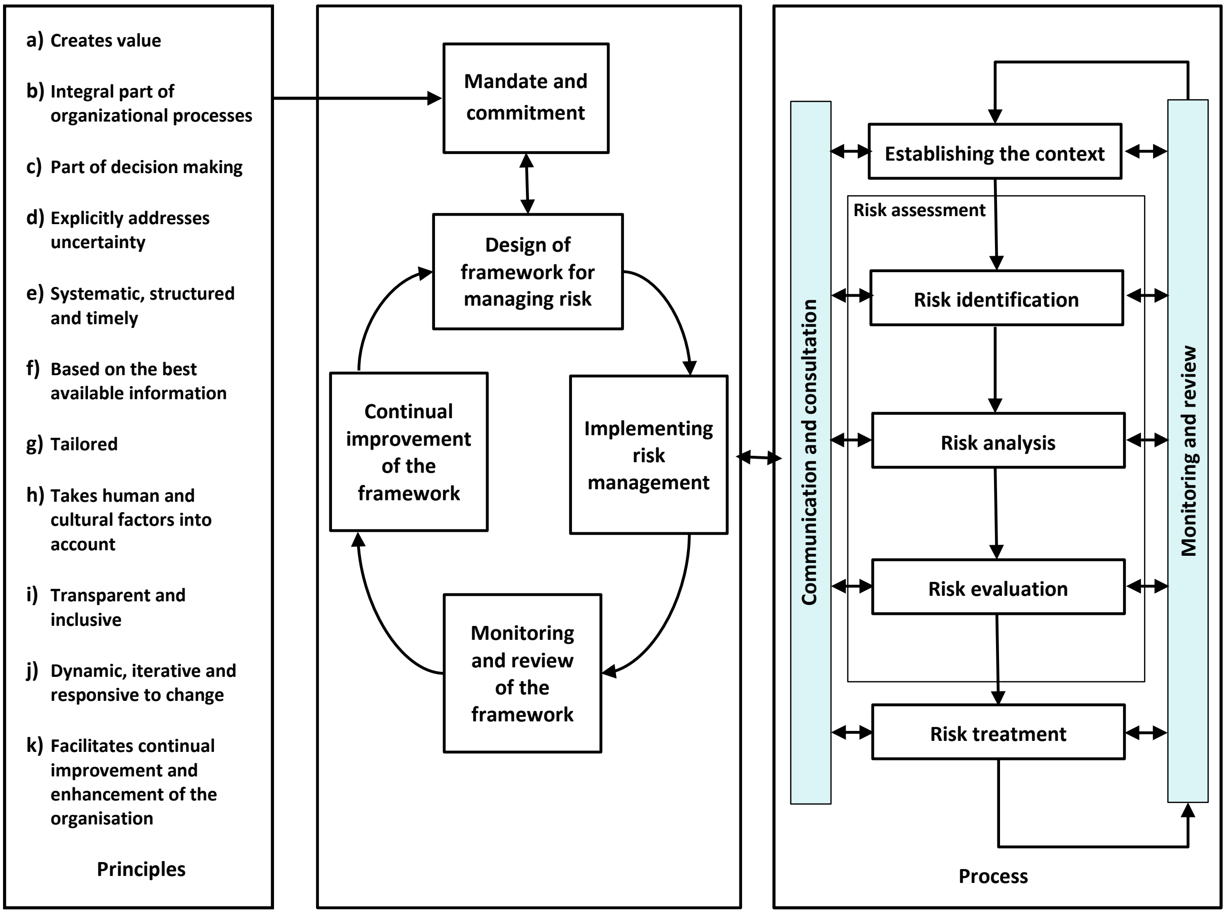


Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)

Risk Management Policy

<u>**Shire Requirement**</u>

Insert policy administration details/requirements where applicable e.g. Policy name, Implementation date, Revision date, Policy owner and delegations, Referenced legislation and standards.

Purpose

The Shire of Murchison (the "Shire") Risk Management Policy documents the commitment and objectives regarding managing uncertainty that may impact the Shire's strategies, goals or objectives.

Policy

It is the Shire's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2009 Risk management), in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations or members of the public.

Risk Management will form part of the Strategic, Operational, Project and Line Management responsibilities and where possible, be incorporated within the Shire's Integrated Planning Framework.

The CEO will determine and communicate the Risk Management Policy, Objectives and Procedures, as well as, direct and monitor implementation, practice and performance.

Every employee within the Shire is recognised as having a role in risk management from the identification of risks to implementing risk treatments and shall be invited and encouraged to participate in the process.

Consultants may be retained at times to advise and assist in the risk management process, or management of specific risks or categories of risk.

Definitions (from AS/NZS ISO 31000:2009)

Risk: Effect of uncertainty on objectives.

> <u>Note 1:</u> An effect is a deviation from the expected – positive or negative.
>
> <u>Note 2:</u> Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).

Risk Management: Coordinated activities to direct and control an organisation with regard to risk.

Risk Management Process: Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Risk Management Objectives

- Optimise the achievement of our vision, mission, strategies, goals and objectives.
- Provide transparent and formal oversight of the risk and control environment to enable effective decision making.
- Enhance risk versus return within our risk appetite.
- Embed appropriate and effective controls to mitigate risk.
- Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
- Enhance organisational resilience.
- Identify and provide for the continuity of critical operations

Risk Appetite

The Shire quantified its risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Procedures and are subject to ongoing review in conjunction with this policy.

All organisational risks to be reported at a corporate level are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

Roles, Responsibilities & Accountabilities

The CEO is responsible for the allocation of roles, responsibilities and accountabilities. These are documented in the Risk Management Procedures (Operational Document).

Monitor & Review

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Shire's Management Team and its employees. It will be formally reviewed every two – four years.

Signed: ……………………………………………….

Chief Executive Officer

Date: ____/____/________

Risk Management Procedures

Governance

Appropriate governance of risk management within the Shire of Murchison (the "Shire") provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every four years.

Operating Model

The Shire has adopted a "Three Lines of Defence" model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

First Line of Defence

All operational areas of the Shire are considered '1st Line'. They are responsible for ensuring that risks (within their scope of operations) are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support the decisioning of risk matters.
- Prepare risk acceptance proposals where necessary, based on level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

Second Line of Defence

The Risk Framework Owner (RFO) - CEO acts as the primary '2nd Line'. This position owns and manages the framework for risk management. They draft and implement the governance procedures and provide the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1st & 3rd lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1st Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Co-ordinating the Shire's risk reporting for the CEO & Management Team and the Audit Committee.

Third Line of Defence

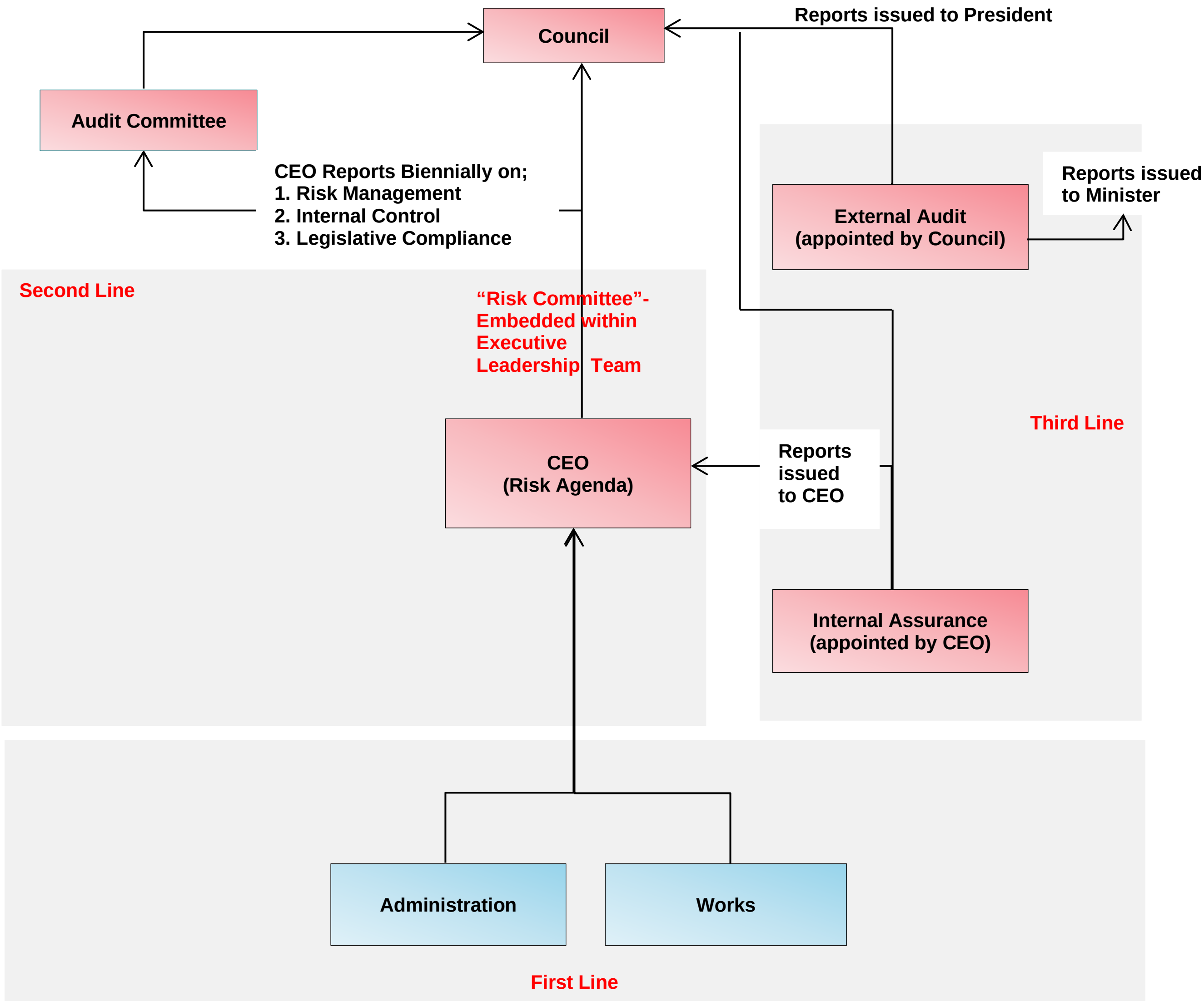
Internal & External Audit are the third line of defence, providing independent assurance to the Council, Audit Committee and Shire Management on the effectiveness of business operations and oversight frameworks (1st & 2nd Line).

Internal Assurance – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Audit Committee.

External Audit – Appointed by the Council on the recommendation of the Audit Committee to report independently to the President and CEO on the annual financial statements only.

Governance Structure

The following diagram depicts the current operating structure for risk management within the Shire.



Roles & Responsibilities

Council

- Review and approve the Shire's Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint / Engage External Auditors to report on financial statements annually.
- Establish and maintain an Audit Committee in terms of the Local Government Act.

Audit Committee

- Support Council to provide effective corporate governance.
- Oversight of all matters that relate to the conduct of External Audits.
- Must be independent, objective and autonomous in deliberations.
- Make recommendations to Council on External Auditor appointments.

CEO / Works Supervisor

- Appoint Internal Auditors as required under Local Government (Audit) regulations.
- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues and trends.
- Document decisions and actions arising from 'risk matters'.
- Own and manage the Risk Profiles at Shire Level.

Risk Framework Owner - CEO

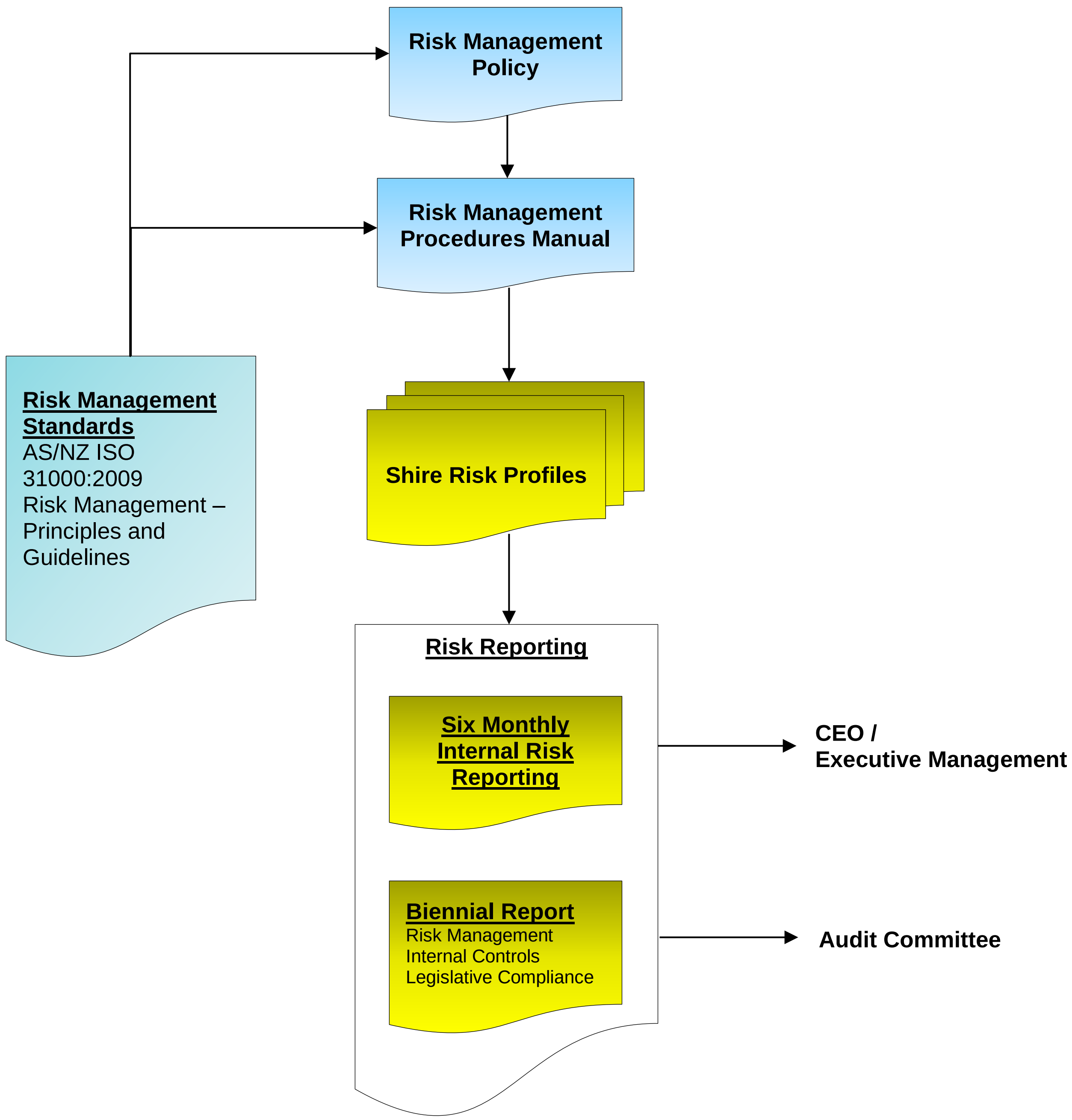
- Oversee and facilitate the Risk Management Framework.
- Support reporting requirements for Risk matters.

Work Areas

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;
    - New or emerging risks.
    - Review existing risks.
    - Control adequacy.
    - Outstanding issues and actions.

Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.



Risk & Control Management

All Work Areas of the Shire are required to assess and manage the Risk Profiles on an ongoing basis.

The Risk Framework Owner (RFO) is accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire.
- Reviewed on at least a six monthly basis, unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

Risk & Control Assessment

To ensure alignment with ISO 31000:2009 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective.

Establishing the Context

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

Organisational Context

The Shire's Risk Management Procedures provides the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix C) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Risk Framework Owner (RFO) and CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

Specific Risk Assessment Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. For risk assessment purposes the Shire has been divided into three levels of risk assessment context:

Strategic Context

The Shire's external environment and high level direction. Inputs to establishing the strategic risk assessment context may include;

- Organisations Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Existing Strategies / Objectives / Goals

Operational Context

The Shire's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

Project Context

Project Risk has two main components:

- **Risk in Projects** refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems) which may prevent the Shire from meeting its objectives
- **Project Risk** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

Risk Identification

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

- What can go wrong? / What are areas of uncertainty? (Risk Description)
- How may this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)
- What are the potential consequential outcomes of the risk eventuating?

Risk Analysis

To analyse the risks the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is applied:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

Risk Evaluation

The Shire is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix A)
- Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and those risks that are acceptable are then subject to the monitor and review process.

Note: Individual Risks or Issues may need to be escalated due to its urgency, level of risk or systemic nature.

Risk Treatment

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit
- Ease of implementation
- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Risk Framework Owner (RFO) is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

Monitoring & Review

The Shire is to review all Risk Profiles at least on a six monthly basis or if triggered by one of the following;

- changes to context,
- a treatment is implemented,
- an incident occurs or due to audit/regulator findings.

The Risk Framework Owner (RFO) is to monitor the status of risk treatment implementation and report on, if required.

The CEO & Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of Risk Summary report will be determined from time to time on the direction of the CEO & Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Shire.

Communication & Consultation

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

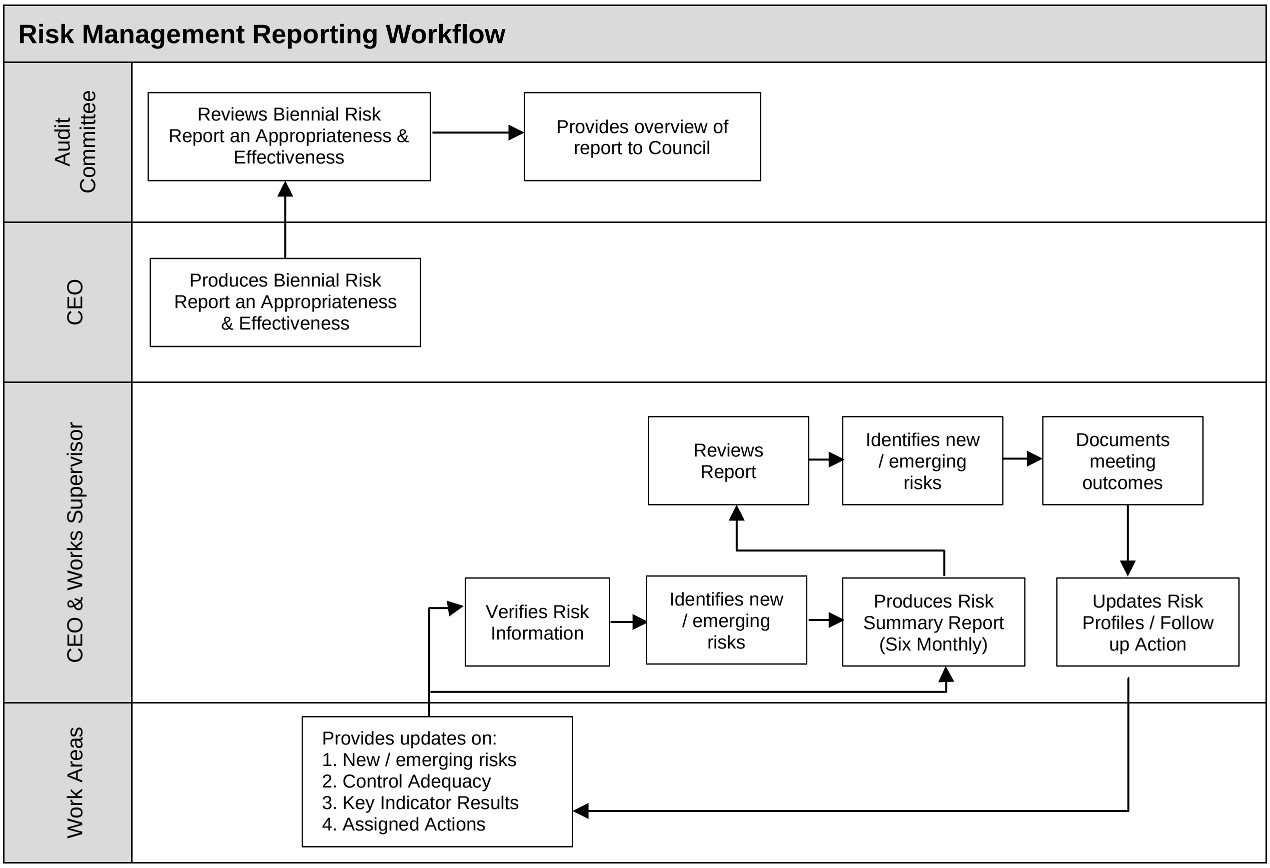
Risk management awareness and training will be provided to all staff.

Risk management will be included within the employee induction process to ensure new employees are introduced to the Shire's risk management culture.

Reporting Requirements

Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new, emerging risks, control effectiveness and key indicator performance to the Risk Framework Owner (RFO).
- Work through assigned actions and provide relevant updates to the Risk Framework Owner (RFO).
- Risks / Issues reported to the CEO are reflective of the current risk and control environment.

The Risk Framework Owner (RFO) is responsible for:

- Ensuring Shire Risk Profiles are formally reviewed and updated, at least on a six monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment.
- Six Monthly Risk Reporting– Contains an overview of the Risk Summary for the Shire.
- Annual Compliance Audit Return completion and lodgement.

Key Indicators

Key Indicators (KI's) may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of KIs:

- Identification
- Validity of Source
- Tolerances
- Monitor & Review

Identification

The following represent the minimum standards when identifying appropriate KI's key risks and controls:

- The risk description and casual factors are fully understood
- The KI is fully relevant to the risk or control
- Predictive KI's are adopted wherever possible
- KI's provide adequate coverage over monitoring key risks and controls

Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the KI data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping KI's can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the KI, the data is required to be revalidated to ensure reporting of the KI against a consistent baseline.

Tolerances

Tolerances are set based on the Shire's Risk Appetite. They are set and agreed over three levels:

- Green – within appetite; no action required.
- Amber – the KI must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.
- Red – outside risk appetite; the KI must be escalated to the CEO & Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

Monitor & Review

All active KI's are updated as per their stated frequency of the data source.

When monitoring and reviewing KI's, the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the KI is specifically used as an input to the risk and control assessment.

Risk Acceptance

Day to day operational management decisions are generally managed under the delegated authority framework of the Shire.

Risk Acceptance is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix A – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks.

The 'Risk Acceptance' must be in writing, signed by the relevant Manager and cover:

- A description of the risk.
- An assessment of the risk (eg. Impact consequence, materiality, likelihood, working assumptions etc)
- Details of any mitigating action plans or treatment options in place
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (ie. Management Team)

Annual Assurance Plan

The annual assurance plan is a monitoring schedule prepared by the Risk Framework Owner (RFO) that sets out the control assurance activities to be conducted over the next 12 months. This plan needs to consider the following components.

- Existing control adequacy ratings across the Shire's Risk Profiles.
- Consider control coverage across a range of risk themes (where commonality exists).
- Building profiles around material controls to assist in design and operating effectiveness reviews.
- Consideration to significant incidents.
- Nature of operations
- Additional or existing 2nd line assurance information / reviews (eg. HR, Financial Services, IT)
- Frequency of monitoring / checks being performed
- Review and development of Key Indicators
- Timetable for assurance activities
- Reporting requirements

Whilst this document and subsequent actions are owned by the Risk Framework Owner (RFO), input and consultation will be sought from individual Directorates.

Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence							
Rating (Level)	**Health**	**Financial Impact**	**Service Interruption**	**Compliance**	**Reputational**	**Property**	**Environment**
Insignificant (1)	Negligible injuries	Less than $1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor (2)	First aid injuries	$1,001 - $10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Medical type injuries	$10,001 - $50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury	$50,001 - $250,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than $250,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Rating	**Description**	**Frequency**	**Probability**
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix						
Consequence		**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Likelihood		**1**	**2**	**3**	**4**	**5**
Almost Certain	**5**	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	**4**	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	**3**	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	**2**	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	**1**	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria			
Risk Rank	**Description**	**Criteria**	**Responsibility**
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Staff
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Staff
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings		
Rating	**Foreseeable**	**Description**
Effective	There is <u>little</u> scope for improvement.	1. Processes (Controls) operating as intended and aligned to Policies / Procedures. 2. Subject to ongoing monitoring. 3. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	1. Processes (Controls) generally operating as intended, however inadequacies exist. 2. Nil or limited monitoring. 3. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	1. Processes (Controls) not operating as intended. 2. Processes (Controls) do not exist, or are not being complied with. 3. Have not been reviewed or tested for some time.

Appendix B – Risk Profile Template

Risk Theme	Date
This Risk Theme is defined as; *Definition of Theme*	

Potential causes include; *List of potential causes*

Key Controls	Type	Date	Shire Rating
List of Key Controls			

Overall Control Ratings:	

Risk Ratings	Shire Rating
Consequence:	
Likelihood:	

Overall Risk Ratings:	

Key Indicators	Tolerance	Date	Overall Shire Result
List of Key Indicators			
Comments *Rationale for all above ratings*			

Current Issues / Actions / Treatments	Due Date	Responsibility
List current issues / actions / treatments		

Appendix C – Risk Theme Definitions

Misconduct
Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

External theft & fraud (inc. Cyber Crime)
Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

Business & community disruption
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Errors, omissions, delays
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Failure of IT &/or Communications Systems and Infrastructure

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

Failure to fulfil statutory, regulatory or compliance requirements

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer “Ineffective Employment practices)

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

Providing inaccurate advice / information (Combined with Errors, Omissions and Delays)

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff. This could be caused by using unqualified staff, however it does not include instances relating Breach of Authority.

Inadequate project / change Management

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

Inadequate Document Management Processes

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

Inadequate safety and security practices

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment.

Inadequate engagement practices

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Inadequate asset sustainability practices

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Inadequate Supplier / Contract Management

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

Ineffective employment practices

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S)
- Discrimination, Harassment & Bullying in the workplace
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place
- Induction issues
- Terminations (including any tribunal issues)
- Industrial activity

Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiencies.

Ineffective management of facilities / venues / events

Failure to effectively manage the day to day operations of facilities and / or venues. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

Inadequate environmental management.

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

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