



**GREATER SHEPPARTON CITY COUNCIL
RISK MANAGEMENT
FRAMEWORK**

Effective: 18 July 2023



RISK MANGEMENT FRAMEWORK

Version:	1
Business Unit:	Corporate Governance
Responsible Officer:	Manager Corporate Governance
Adopted By:	Council on 18 July 2023
Next Review:	18 July 2027

1. PURPOSE

The framework has been developed to align with *AS31000:2018 Risk Management Guidelines*. The framework has been updated post Council Elections 2024 to include strengthened risk appetite statements.

The purpose of the Risk Management Framework is to demonstrate Councils commitment towards a proactive and balanced approach in the way risks are managed throughout Council.

The Council will demonstrate its commitment by:

- Ensuring everyone who is engaged in Council activities understands their role and responsibilities in relation to risk management.
- Recognising that risk management is an integral part of good governance and leadership.
- Recognising that risk management contributes to the continuous improvement; and
- Recognising that managing risk is an iterative process that assists Council in setting strategies, making informed decisions and achieving objectives.

Council recognises that risks can impact on our ability to deliver on set objectives and therefore have processes in place to ensure the best outcome for the organisation and our community.

2. OBJECTIVE

The objective of this framework is to deliver an integrated approach towards risk management within Council which clearly identifies the tools and processes to support the organisation in the identification and management of risks.

This framework has been developed in accordance with the *ISO31000-2018 Risk Management Guidelines*.

To support Council in achieving its objectives, Council will:

- Implement a risk management framework consistent with the *ISO31000:2018 Risk Management Guidelines*.
- Promote and support Council to demonstrate a positive, risk-aware culture.
- Ensure that risks are managed in a consistent and comprehensive manner.
- Ensure staff receive the relevant training and support to fulfill their risk management responsibilities.
- Integrate risk management into Council decision-making processes.

- Work in partnership to support the identification and management of shared risks; and
- Maintain and regularly review its strategic and operational risks against the Council Plan and operational objectives.

3. SCOPE

This framework supports an enterprise-wide approach towards Risk Management and therefore applies to activities of Council. The framework will inform Councils Risk Management Operational Policy, in addition to general business activities, which require the management of risks. This framework applies to Councillor's, employees, contractors and volunteers of Greater Shepparton City Council

4. DEFINITIONS

Reference term	Definition
Audit and Risk Management Committee (ARMC)	Is an independent advisory Committee to council formed pursuant to Sections 53 and 54 of the Local Government Act 2020 (the Act).
Council Plan	The Council Plan outlines the Council's objectives, strategies and activities that contribute to the achievement of the community's aspirations.
Council	Greater Shepparton City Council.
Executive Leadership Team (ELT)	Comprises the Chief Executive Officer and Directors.
Risk Appetite	Maximum amount of risk Council will accept without compromising its strategic goals.
Risk Appetite Statement	A high-level, qualitative declaration approved by Council.
Risk Tolerance	Specific statements identifying and setting boundaries for acceptable risk taking and operating in accordance with the risk appetite statement.

5. COMMITMENT

Council is committed to the management of risk by effectively integrating risk management into day-to-day operations of the business and by ensuring that Councils strategic objectives are met.

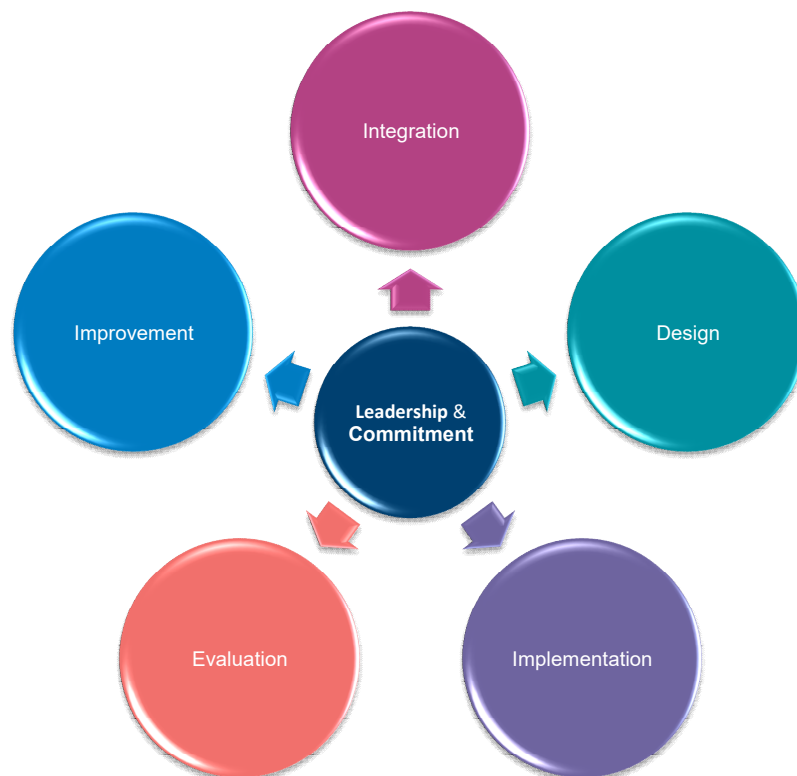
All business areas of the Council shall commit to the following principles from the ISO Standard by incorporating Risk Management into their daily activities by:

- Creating and protecting value.
- Integrating into the council's objectives and decision-making processes.
- Explicitly addressing uncertainty by providing a framework in which risk can be assessed.
- Being systematic, structured and timely in its approach.
- Having and using the best available information.
- Being adaptable to Council's internal and external environments.
- Taking people and cultural factors into account.
- Being transparent and inclusive.
- Being dynamic, iterative and responsive to change; and
- Continuously improving.

The Council will have a high level of risk maturity when the attributes above have been evidenced throughout the organisation. The Risk Management Framework will assist in further developing Councils commitment to risk management, and its risk maturity.

6. PRINCIPLES

Greater Shepparton City Council's framework is underpinned by the following principles (*reference ISO31000:2018 Risk Management Guidelines*).



The council will integrate the supporting principles of the framework in the following ways.

6.1 Leadership and commitment

Council, the Executive and Senior Leadership will demonstrate a commitment to ensuring risk management is integrated into all organisational activities by:

- a. Developing and implementing a risk management framework suitable for council's needs.
- b. Allocating appropriate resources for the purposes of risk management.
- c. Assigning roles and responsibilities with respect to risk management; and
- d. Communicating risk management at all levels of the organisation.

Council's leadership and commitment is conveyed through the risk management operational policy.

6.2 Integration

Risk management encompasses all levels of risk and is integral to Greater Shepparton City Council's organisational culture. This will be integrated into Council's existing processes, including those listed in the Organisational Culture chart.



Figure 1 Organisational Culture

The key processes that include risk management and influence Greater Shepparton City Council's organisational culture have been further detailed below.

6.2.1 Business Continuity – the Executive Leadership Team adopted the Business Continuity Plan (BCP) which assists in ensuring minimal disruption to Council critical services by supporting the resumption of activities as soon as possible. Business continuity identifies the Council's critical services and forms part of the risk management process to assess such

risks and implement suitable and effective controls to minimise disruption.

- 6.2.2 Compliance** – Council has an obligation to comply with various legislation and standards, designed to minimise risk exposures to the organisation.
- 6.2.3 Financial management** – Council has a stringent financial management, budget and planning process to ensure it is protecting Council and community value by managing exposure to financial risks. The Council is subject to regular financial auditing, including the annual financial and performance statements.
- 6.2.4 Governance** – risk management is an integral part of governance ensuring the success and sustainability of Council. Good governance provides the framework for identifying, assessing and mitigating risks, while effective risks management ensures that Council can navigate through uncertainties and achieve its objectives. Integration of governance and risk management will assist with Council's decision-making, improve performance and build stakeholder confidence and trust.
- 6.2.5 Insurance** – Council has multiple insurance portfolios to minimise the financial risks to Council arising from claims for a variety of exposures such as motor vehicle, property, public liability, personal accident, corporate travel, and commercial crime.
- 6.2.6 Fraud and corruption** – Council has a designated fraud and corruption policy and supporting documents in effect to minimise the impact of fraud or corruption risks and/or behaviours. The policies are reviewed regularly to ensure they

remain current and align to the Australian Standards *AS8001:2021 Fraud and Corruption Control*. These risks are captured, monitored and maintained in Councils risk management software.

6.2.7 Emergency management – Council plans for and undertakes prevention, preparedness, response and recovery activities to support the community in the event of emergencies and natural disasters. The Council operates its emergency management functions in conjunction with lead agencies and neighbouring councils.

6.2.8 Internal audit – provides Council with independent, objective assurance and consulting activities designed to add value and improve operations. It helps Council to accomplish its objectives by bringing a systematic and disciplined approach to assess and improve the effectiveness of risk management, control and governance processes. This process of internal audit may result in the identification of new risks or more effective controls for existing risks.

6.2.9 Contracts and Procurement – risk management is integrated into Council's contract and procurement processes. Contractors are required to demonstrate and provide the appropriate policies, processes and insurances during the tender stage to minimise risk exposure to Council, if successful in their tender application.

6.2.10 Asset Management – risk management is an integral part of the asset management process as it helps with operational efficiency and helps maximise value and utilisation of the asset.

6.2.11 Occupational Health and Safety – Council's OH&S programs and systems provide a coordinated and systematic

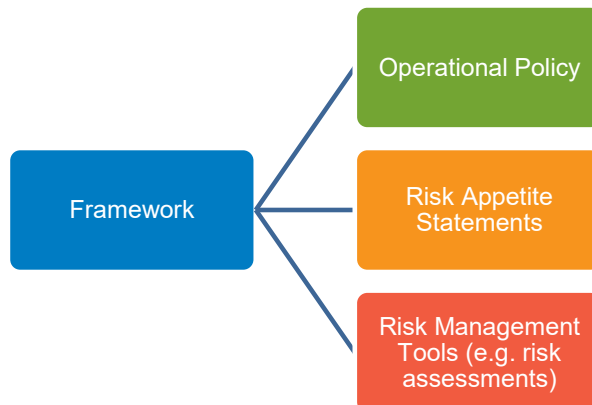
approach to managing health and safety risks to prevent harm in the workplace.

6.2.12 Service Delivery – Council's risk exposure varies according to the functions, facilities and services it provides. Such risks are identified through the Council's planning processes.

6.2.13 Cyber Security and Technology – Council has a dedicated Disaster Recovery Plan to assist with protecting and recovering from cyber-related events. This plan is referenced in Council's BCP.

6.3 Design

The risk management framework should be used in conjunction with the following key documents.



6.3.1 Framework – communicates Council's commitment to risk management.

6.3.2 Operational Policy – provides guidance to council on managing risk.

6.3.3 Risk Appetite Statements – identifies how much risk Council is willing to pursue to achieve its objectives.

6.3.4 Risk Management Tools – designed to support staff to carry out effective risk management, including risk assessments, training and awareness, documenting and monitoring risks and implementation of effective controls.

6.4 Implementation

Council's risk management framework is supported by the risk management operational policy which clearly identifies Council's approach in the identification, assessment, management and monitoring of risks.

6.5 Evaluation

The Council will periodically conduct reviews of its framework, risk appetite statements, tolerance levels, processes and practices to ensure they are reflective of best practice and align to *AS31000:2018 Risk Management Guidelines*.

6.5.1 Document evaluation

Document	Description	Endorsement	Frequency
Risk Management Framework	Review the currency and effectiveness	Council	Every four years and within 12 months of a General Election.
Risk Appetite Statements	Review the currency and effectiveness	Council	Annually
Risk Management Operational Policy	Review the currency and effectiveness	Executive Leadership Team	Every 4 years.

6.5.2 Performance evaluation

The Council's performance evaluation of the Risk Management Framework is a systematic process designed to assess the effectiveness and suitability of its approach to identifying, managing and monitoring risks. By focusing on these areas Council will continue to strengthen its risk maturity.

The results of the evaluation will be presented to the Executive Leadership Team and the Audit and Risk Management Committee.

Category	Description	Measure
Training, awareness and continuous improvement	Determine level of awareness and understanding of risk management processes and actively identify areas of improvement.	<ul style="list-style-type: none"> Number of staff trained in risk management. Number of facilitated risk management sessions conducted. Evaluation forms completed from training sessions. Review of past incidents to determine if controls were inadequate, identifying root cause to prevent recurrence.
Risk Management Tools and Process	Assess effectiveness of Councils Risk Management applications	<ul style="list-style-type: none"> Number of risk assessments completed / controls implemented. Number of risks reviewed within required timeframe. Conduct of annual Business Continuity exercise. Claims tracking / initiatives to reduce claims.
Internal and External Audits	Assess compliance with policies, procedures and audit recommendation timeframes.	<ul style="list-style-type: none"> Number of internal audits conducted per year. Number of audit recommendations implemented. Number of overdue audit recommendations and for how long.

6.6 Improvement

To maintain and improve the value of risk management, the Council will monitor and adapt its key documents to continually improve the suitability, adequacy and effectiveness of risk management processes, tools and resourcing.

7. POSITIVE RISK CULTURE

Risk culture refers to the system of beliefs, values and behaviours throughout an organisation that shapes the collective approach to managing risk and making decisions.

A positive risk culture is one where staff at every level appropriately manage risk as a fundamental part of their day-to-day operations.

To encourage a positive risk culture, Council will:

- Set the tone from the top.
- Be accountable.
- Communicate the framework and supporting operational policies.
- Provide training and awareness.
- Report and escalate bad news.
- Support with appropriate tools, templates and mechanisms.
- Continually improve; and
- Encourage staff to seek risk opportunities.

Management should understand and value positive risk culture as a driver of good risk outcomes.

8. RISK APPETITE CULTURE

Council has a zero tolerance for non-compliance with all regulatory and legal obligations and maintains a low appetite for risks that could irrevocably harm our staff, contractors and volunteer's safety or our public reputation. For all other strategic and operational risks, Council will take a cautious to open approach when measuring financial and operational variability where the potential reward significantly advances our operations. Council reviews risk management as a driver of value and a non-negotiable part of every major decision.

Risk appetite is the foundation on which decisions are built to ensure that Greater Shepparton City Council does not threaten its viability or alternatively, its capacity to deliver community value.

It is expected that management will consider Council's risk appetite when analysing options to achieve strategic outcomes.

8.1 Risk appetite statement (RAS) purpose

The risk appetite statements identified below are high-level, qualitative statements approved by Council. Their purposes are to:

8.1.1 Set the direction - the RAS communicates Councils attitude on risk-taking in pursuit of its goals.

8.1.2 Enable, not restrict - empower employees to take calculated, informed risks within the approved parameters of the statement.

Risk Approach	Tolerance Level	Risk Appetite Description
Controlled	Zero tolerance	Little to no appetite and avoidance of risk and uncertainty being the key objective.
Cautious (low)	Low tolerance	Prefer safe options with only minor risk of adverse outcomes.
Accepting (med)	Moderate tolerance	Willing to consider options to successfully deliver objectives whilst providing a reasonable level of protections from adverse outcomes.
Open (high)	High tolerance	Willing to engage with higher risk levels and engage in opportunities that have potential to deliver beneficial outcomes.

9. RISK APPETITE

9.1 Risk appetite statements

Risk appetite statements (RAS) are a formal document that articulates the level and type of risk Council is willing to accept, or avoid, in pursuit of achieving its strategic objectives. They are designed to provide clear boundaries for decision-making across Council.

9.2 Risk appetite approach

The risk appetite methodology is the structured approach Council will use to define, communicate and monitor the amount and type of risk it is willing to accept or retain in pursuit of its strategic objectives.

This methodology is essential because it guides decision-making, ensures risk taking aligns with strategy, and promotes a consistent risk culture across Council.

Key components of the approach include:

1. **Risk Appetite Statement** – high-level, qualitative statement communicating Council's overall attitude towards risk-taking and tone setting.

2. **Risk Appetite** – maximum amount of risk Council will accept without compromising its strategic goals.
3. **Risk Tolerance** – specific statements identifying and setting boundaries for acceptable risk taking and operating in accordance with the risk appetite statements.

9.3 Implementing risk appetite and tolerance levels

Effective implementation of a risk appetite goes beyond process and compliance.

It increases the transparency of the risk management process and promotes greater understanding of Council's position on risk. This will enable Council officers to identify opportunities where they can reduce controls and promote considered risk taking and innovation or, equally, it can identify areas where Council is taking an undesirable level of risk.

Ultimately, Council officers will be guided by the risk appetite statements to inform their decision making to ensure their actions are strategically aligned to the appropriate level of risk which Council is willing to pursue.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
<p>1. <u>Financial</u></p> <p>Risks that directly affect Council's financial position including revenue, expenses, assets, liabilities, reserves, and insurance claims.</p>	<p>Cautious – low tolerance</p> <p><i>Council has a cautious appetite for financial variation, if long-term sustainability is maintained. It acknowledges some financial risk is unavoidable in delivering services and projects.</i></p>	<p>Budget Adjustments</p> <ul style="list-style-type: none"> Changes to budget forecast due to service delivery adjustments, new grants, emerging risks or project deferrals, in alignment with Council's Budget Management Operational Policy Regular oversight to ensure financial sustainability in alignment with measures adopted in the Financial Plan. Encourages reprioritisation of budgets, not new funding, for unplanned items. Delays to capital projects due to external factors, such as third-party actions or unforeseen events, may impact project completion timelines and budget. 	<p>Non-Compliance</p> <ul style="list-style-type: none"> Financial management activities that breach legislation or Council policy.
		<p>Contingency Use</p> <ul style="list-style-type: none"> Use of project-level contingencies to manage cost/scope changes (operating & capital). 	<p>Sustainability Risks:</p> <ul style="list-style-type: none"> Actions causing a significant negative impact on long-term financial sustainability, per Council's financial policy statements and measures adopted in the Financial Plan. Liquidity below 100% in any given year is not tolerable.
		<p>Innovation Tolerance</p> <ul style="list-style-type: none"> Acceptance of short-term losses and outlays in pursuit of new processes and service improvements. 	<p>Fraudulent Activity</p> <ul style="list-style-type: none"> All fraudulent or corrupt financial transactions. <p>Weak Controls</p> <ul style="list-style-type: none"> Failure to maintain effective systems and processes to prevent fraud and corruption.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
<p>2. <u>Reputation</u></p> <p>Risks that negatively impact community trust, satisfaction, and possible equitable access to services.</p>	<p>Cautious – low tolerance</p>	<p>Political</p> <ul style="list-style-type: none"> prioritised political risks, up to a medium rating, will be accepted by Council. 	<p>Political</p> <ul style="list-style-type: none"> Any act or expression that demonstrates political bias
	<p><i>Council has a low appetite for risks that harm community trust and is committed to integrity, professionalism, and public-focused resource allocation.</i></p>	<p>Community Engagement</p> <ul style="list-style-type: none"> Positive community-led outcomes and is prepared to manage associated reputational risks. 	<p>Illegal or Harmful Conduct</p> <ul style="list-style-type: none"> Illegal, threatening, or unsafe actions and behaviours. <p>Threats</p> <ul style="list-style-type: none"> Targeted attacks against individuals, as they pose a direct risk to the organisation. <p>Misinformation</p> <ul style="list-style-type: none"> Any misleading, incorrect, or incomplete information. Any statements that could constitute defamation.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
<p>3. <u>Legal & Compliance</u></p> <p>Risks that impact compliance with regulatory requirements and legislative obligations.</p>	<p>Controlled – zero tolerance</p> <p><i>Council has a controlled appetite for legal or regulatory breaches. Innovation in governance efficiency is supported, provided it upholds compliance and protects Council's interests.</i></p>	<p>Minor non-compliance</p> <ul style="list-style-type: none"> Isolated non-compliance with legislative clauses that do not incur penalties. Minor technical non-compliance upon review. 	<p>Legislative & Ethical Breaches</p> <ul style="list-style-type: none"> Material breaches of legislation or its Code of Conduct. A failure to consider expert advice, which results in legislative breaches or litigation. Knowingly breaking the law or recklessly breaching internal policies.
		<p>Good Faith Decisions</p> <ul style="list-style-type: none"> Decisions guided by professional legal advice. Legal risks arising from good-faith decisions that align with Council values. 	<p>Fraud & Corruption</p> <ul style="list-style-type: none"> Corrupt or fraudulent conduct by its staff, Councillors, contractors, or volunteers. Any undue delay in addressing fraud, corruption, or unethical conduct.
		<p>Incidental Risks</p> <ul style="list-style-type: none"> The risk of minor isolated complaints that are incidental to normal operations. Risks that have been effectively mitigated by streamlined governance processes. 	<p>Confidentiality Information</p> <ul style="list-style-type: none"> The unauthorised release of confidential or private information. <p>Litigation</p> <ul style="list-style-type: none"> Any behaviour that leads to extensive litigation or indictable offences. Non-compliance with Government directions and orders.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
<p>4. <u>Health, Safety, & People</u></p> <p>Risks affecting the health and safety of all people, and compliance with OH&S and public safety laws.</p>	<p>Controlled – zero tolerance</p> <p><i>Council has a controlled appetite for risks that compromise the safety and wellbeing of staff, contractors, volunteers, or the public. A fair, safe, and healthy workplace is essential.</i></p>	<p>Workforce Morale & Grievances</p> <ul style="list-style-type: none"> • Minor, short-term impacts on morale as a necessary part of performance improvement initiatives. • Staff grievances that are manageable through established internal processes. • Morale and grievance issues that are a direct result of change and innovation, provided these initiatives lead to improved outcomes. 	<p>Reporting & Compliance Limits</p> <ul style="list-style-type: none"> • More than 10 reportable WorkSafe injuries per year. • More than 5 standard WorkCover claims annually. • Non-compliance with Victoria’s Child Safe Standards and all relevant child protection legislation. • Not reporting or documenting incidents of OH&S within 24 hours.
		<p>Minor Incidents</p> <ul style="list-style-type: none"> • Minor injuries that are incidental to normal operations. • Practices that do not meet best practice standards, provided safety and duty of care are not compromised. 	<p>Process & Training Failures</p> <ul style="list-style-type: none"> • Events caused by untrained employees or failed internal processes.
			<p>Non-Compliance</p> <ul style="list-style-type: none"> • Deliberate actions or behaviours that contravene OH&S policies and procedures. • Any practices that knowingly compromise staff wellbeing or safety. • Failure to comply with OH&S obligations and legal directions from WorkSafe.
			<p>Fatalities & Serious Injuries</p> <ul style="list-style-type: none"> • Injuries requiring significant medical treatment or hospitalisation. • Injuries resulting in permanent disability or long-term health impacts. • All incidents resulting in death or multiple serious injuries.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
<p>5. <u>Asset Management</u></p> <p>Risks related to maintenance, development, and management of assets impacting service delivery and community outcomes.</p>	<p>Accepting – medium tolerance</p> <p><i>Council has an accepting appetite for risks to improve infrastructure, recognising that continuous improvement delivers long-term community benefit.</i></p>	<p>Operational Impacts</p> <ul style="list-style-type: none"> The inherent risk of isolated, non-catastrophic damage to its assets, including heritage buildings. A moderate, short-term community impacts from construction projects. A moderate level of inconvenience or dissatisfaction among stakeholders. The risk of moderate infrastructure disruption that is incidental to the adoption of new technology and innovation. 	<p>Infrastructure & Asset Management</p> <ul style="list-style-type: none"> non-compliance with building specifications and codes. Infrastructure defects or hazards that pose an imminent threat to public safety. Failure to escalate critical infrastructure issues within 2 days.
		<p>Project Management</p> <ul style="list-style-type: none"> Approved variations to capital projects that remain within the agreed scope and resource allocation. 	<p>Business Continuity & Compliance</p> <ul style="list-style-type: none"> Failure to develop and maintain disruption response and business continuity plans. Any activities that cause fatalities, serious injury, or illness.
		<p>Performance Expectations & Controls</p> <ul style="list-style-type: none"> Annual audit of its Asset Management Framework to ensure its effectiveness. Its commitment of the Asset Steering Committee meeting six times annually. A compliance rate of above 90% with its Asset Management and Road Management plans. 	<p>Project & Contract Failures</p> <ul style="list-style-type: none"> Failure by third-party contractors to deliver services within budget or agreed timeframes. The non-completion of significant projects. Significant project delays caused by factors within its control. Failure to administer or manage contracts effectively. Significant contract cost variations caused by factors within its control.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
<p>6. <u>Natural Environment</u></p> <p>Risks that impact the natural environment including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.</p>	<p>Accepting – medium tolerance</p> <p><i>Council has an accepting appetite for environmental impacts from normal operations, however, supports innovation that enhances environmental outcomes. Sustainability is a key consideration in all decisions.</i></p>	<p>Offset or Net Positive Impacts</p> <ul style="list-style-type: none"> The risk of environmental impacts that are offset, resulting in a net environmental benefit. The risk of minor financial impacts to invest in environmentally sustainable products and services. 	<p>Biodiversity & Habitat Protection</p> <ul style="list-style-type: none"> The principles of avoid and minimise not being applied to the removal of remnant vegetation or hollow-bearing trees. Threats to biodiversity, including species extinction.
		<p>Low-Impact or Unavoidable Events</p> <ul style="list-style-type: none"> The inherent risk of minor environmental impacts that occur despite best efforts to mitigate them. Minor impacts as a necessary part of delivering long-term community benefits. Isolated environmental incidents that are fully remediated within 6–12 months. 	<p>Legislative & Regulatory Breaches</p> <ul style="list-style-type: none"> Any significant breaches of the Environmental Protection Act 2017. More than 10 site improvement notices by EPA per year 'Breaches of cultural heritage protections. Failing to adhere to all legal environmental obligations to prevent fines and penalties.
			<p>Irreversible or Preventable Harm</p> <ul style="list-style-type: none"> Any activities causing significant, long-term or irreversible environmental damage. Any practices hazardous to human health or that knowingly compromise the environment. Any decisions that fail to uphold the principles of environmentally sustainable development.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
<p>7. <u>Cyber Security & Technology</u></p> <p>Risks from cyber threats and technology failures that compromise Council's ICT systems, data security, service continuity, and compliance.</p>	<p>Cautious – low tolerance</p> <p><i>Council has a cautious appetite for risks to its technology and information. Strong controls, cyber awareness, and proactive management are key to protecting systems from internal and external threats.</i></p>	<p>Low-Impact Threats</p> <ul style="list-style-type: none"> Minor cyber threats that don't compromise the integrity, confidentiality, or availability of its information or assets. Known cybersecurity weaknesses that are subject to timely resolution as a core control. 	<p>Data Protection & Information Security</p> <ul style="list-style-type: none"> Any data loss resulting from inappropriate data management or ineffective security controls. The misuse, inappropriate distribution, or loss of sensitive information by anyone with access to it. Poor information governance practices. Intentional or reckless breaches of its Information Security Management Framework.
		<p>Innovation & Technology Change</p> <ul style="list-style-type: none"> Minor risks that are incidental to the Implementation of new technologies that foster business improvement and innovation. 	<p>Cyber Threats & Malicious Attacks</p> <ul style="list-style-type: none"> All malicious cyber-attacks and preventable security threats. Any catastrophic incidents annually. Exceeding one major cyber-security threat annually.
		<p>System Outages & Disruption</p> <ul style="list-style-type: none"> Scheduled system downtime that has been approved by business owners. Minor disruption to business operations from unplanned outages. 	<p>System Outages & Continuity</p> <ul style="list-style-type: none"> Exceeds more than one prolonged, unplanned outage of its systems and services annually. System outages that exceed 24 hours and directly impacts a critical service.
			<p>Poor Preparation & Testing</p> <ul style="list-style-type: none"> Failure to undertake annual penetration testing and the timely remediation of any vulnerabilities. Failure to maintain and test Disaster Recovery Plans.

Risk Category & Description	Appetite & Statement	What Council will and will not tolerate	
		Council will accept	Council has a zero tolerance for:
8. <u>Service Delivery</u> Risks that threaten the timely, effective, and continuous provision of services to the community.	Accepting – medium tolerance	Disruptions & Downtime <ul style="list-style-type: none"> Isolated service interruptions lasting up to 3 days for normal services. Known minor, short-term disruption to non-critical services. The risk of unforeseen disruption to critical services lasting up to 4 days, conditional on a prompt response and stakeholder communication. Low impact on services for vulnerable community members. 	Service Disruption <ul style="list-style-type: none"> disruption or loss of critical services which exceed the MTPD of 24-48 hours. Failure to activate emergency and business continuity plans within specified timeframes.
	<i>Council openly accepts risk to innovate and improve services.</i>	Innovation & Change <ul style="list-style-type: none"> Minor service impacts incidental to the implementation of new technology and innovation. Minor impacts related to flexible work practices and new service models. 	Planning & Preparedness <ul style="list-style-type: none"> Failure to develop, maintain and implement effective disruption plans including business continuity, disaster recovery and emergency management.
	Cautious – low tolerance	Community Experience <ul style="list-style-type: none"> Minor inconvenience and customer dissatisfaction. A moderate reputational impact from complaints related to changes that deliver long-term community benefit. 	Poor Communication & Accountability <ul style="list-style-type: none"> The ineffective communication of all business disruptions to stakeholders. Failure to document and follow policies and procedures that support service quality.
	<i>However, has low appetite for risks harming the community, prioritising continuity and minimising disruption.</i>		

10. RELATED POLICIES

- *Conflict of Interest Policy*
- *Procurement Policy*
- *Public Interest Disclosure Policy*
- *Media Policy*
- *Child Safety and Wellbeing Policy*
- *Councillor Code of Conduct*
- *Employee Code of Conduct*
- *Business Continuity Plan*

11. RELATED LEGISLATION

- *Local Government Act 2020*
- *Local Government (Governance and Integrity) Regulation 2020*
- *AS31000:2018 Risk Management Guidelines*

12. REVIEW

The Risk Management Framework is to be reviewed every four years. This review may be conducted earlier if Council has experienced a significant change in its operations or its risk exposure

DOCUMENT REVISIONS

Version #	Date Adopted	Date Effective
1	Risk Management Framework first adopted.	18 July 2023
2	Review post Council Elections 2024.	