Risk Management
Strategic Plan 2013 - 2016

Overview

The Berrigan Shire Council is exposed to many varied risks including but not limited to:

- Public liability
- Workplace health and safety
- Environmental risks
- Financial risks
- Professional indemnity
- Workforce and asset management
- Reputation

Effective risk management relies on:

- Identifying risks using a variety of tools,
- Assessing risk using an established and consistent method,
- Implementing measures in accordance with policy,
- Establishing regular measuring and monitoring programs to remain informed of the effectiveness of controls or changes to situations,
- Investigating and implementing continuous improvement programs.

Using Council's Risk Management Policy and Framework as guidance, and to meet Council's Community Strategic Plan and Delivery Plan objectives, the Risk Management Strategic Plan 2013 – 2016 states Council's four key goals for enterprise risk management, and outlines the strategies and actions required to improve risk management across Council's operations and achieve those goals.

Goals

The Risk Management Strategic Plan 2013 – 2016 is focused around four key goals:

> **Goal 1 : To establish processes that adhere to legislative requirements and consider best practice**

> **Goal 2 : To establish effective communicative and consultative programs geared towards improving the risk culture**

> **Goal 3 : To establish an effective monitoring and inspection system to measure the performance of risk control measures**

> **Goal 4 : Continually improve risk management programs**

Key Strategies

To achieve the Risk Management goals, the following key strategies have been identified and are outlined below:

Key Strategy 1:	*Establish and maintain the Integrated Management System to ensure a consistent and structured approach to the management of all risks, across all areas.*

The Integrated Management System currently focuses on workplace health and safety issues, but needs to be expanded to ensure all risks to Council are captured and managed under the same umbrella. This will involve the development of:

- Document Control Systems
- Quality Management Procedures
- Environmental Management Procedures
- Volunteer Management Procedures
- Audit function

Key Strategy 2:	*Keep up to date with relevant legislative and best practice obligations. Achieve and maintain compliance with these obligations.*

This will involve liaising, developing and maintaining relationships with other Councils, government bodies, associations and discussion groups to remain abreast of legislative change, changes to guidelines and other supporting strategies, and ensure these changes are implemented into the risk management system.

Key Strategy 3:	*Identify, assess and implement measures to eliminate or reduce risk to the public as far as is reasonably practicable and within Council resources.*

Risks to the public are identified through best practice guidelines, incidents, and drawing on other industry experiences. Public risks are identified, discussed with stakeholders, and assessed with recommended measures taken to Council for adoption. Identified mitigation works are funded from the Risk Management budget. Whilst public areas have been addressed previously, further works are required in:

- Tree Management
- Public Buildings

Key Strategy 4:	*Identify, assess and implement measures to eliminate or reduce risk to workers as far as is reasonably practicable and within Council resources.*

Risks to workers are identified through legislative compliance, workplace inspections, incidents and drawing on other industry experiences. Workplace health and safety risks usually require further consultation with stakeholders including Health and Safety Representatives, Management and the Occupational Health and Safety Committee, however may require immediate action. Health and Safety mitigation works are funded from the relevant workplace OHS budget.

Key Strategy 5:	*Clearly define and communicate to staff, volunteers and contractors, responsibilities for managing risk.*

Responsibilities for managing risk apply to all workers, and whilst these are listed under position descriptions, they are not fully understood particularly by volunteers and contractors. This will require the establishment of objectives and targets for staff roles, and procedures for communicating requirements to volunteers and contractors.

Key Strategy 6:	*Promote a culture that encourages people to proactively manage risk through education, instruction, information and supervision.*

Effective risk management requires more than just a compliance system, it requires a shift in culture where proactively identifying and controlling risk is part of Council's daily processes, and risk awareness is embedded throughout Council.

Key Strategic Risk Issues

Risk issues have been identified through various information sources including changes in legislation, StateCover's WHS Audit, shortfalls against best practice, identification of potentially high risks, and results of workplace inspections.

No.	Strategy	Issue
KS01	Establish and maintain the Integrated Management System to ensure a consistent and structured approach to the management of all risks, across all areas.	Information Management System encompassing Document Control and Gathering Information requires further development, in accordance with the Statewide Best Practice Manual.
		The Integrated Management System requires further review, development and implementation.
		Purchasing procedures must be developed and implemented to ensure potential hazards associated with the purchase of plant, equipment, goods and services are identified.
KS02	Keep up to date with relevant legislative and best practice obligations. Achieve and maintain compliance with these obligations.	A workplace health and safety auditing function must be established to identify compliance shortfalls and improvement opportunities.
		Review existing OHS Manual and procedures in accordance with newly released Codes of Practice to identify areas of non-compliance, and introduce changes accordingly.
KS03	Identify, assess and implement measures to eliminate or reduce risks to the public.	Public safety issues on all Council controlled buildings must be identified and assessed.
		A Tree Management System must be established that identifies and assesses risks associated with trees in urban areas.
KS04	Identify, assess and implement measures to eliminate or reduce risks to workers.	A system of identifying and reporting hazards must be established in addition to current mechanisms with control measures implemented in accordance with the hierarchy of controls.
		Procedures covering health monitoring require further review and development to ensure health issues are identified and monitoring measures implemented accordingly.
KS05	Clearly define and communicate to staff, volunteers and contractors, responsibilities for managing risk.	A Volunteer Management System addressing workplace health and safety issues must be established.
		Planning processes and the setting of objectives and targets for work health and safety must be developed for all levels within Council, and subjected to periodic review.
		Procedures for conducting regular inspections of the work environment, and the testing/maintenance of plant and equipment must be developed and documented.
KS06	Promote a culture that encourages people to proactively manage risk through education, instruction, information and supervision.	Mechanisms for disseminating information to staff, contractors and volunteers must be established to ensure all workers have access to current and accurate information.

Risk Methodology

Following the identification of the risk issues, it is necessary to analyse these issues in terms of likelihood and consequences of an event occurring, or having adverse effects on Council. These two parameters are used to identify a level of risk which will assist in setting treatment priorities and options.

Likelihood

Likelihood analysis is about estimating probability. This can involve using historical data, previous incidents, published data, and expert opinion.

Level	Descriptor	Description	Indicative Frequency
A	Almost Certain	The event will occur on an annual basis.	Expected to occur.
B	Likely	The event has occurred several times or more in your career.	Will probably occur.
C	Possible	The event might occur once in your career.	Might occur at sometime.
D	Unlikely	Heard of something like this occurring.	Not likely to occur.
E	Rare	Have never heard of this happening.	Conceivable, but highly unlikely.

Consequence

Consequence analysis determines the nature and type of impact which could occur assuming that a particular event, situation or circumstance has occurred.

Consequence analysis can involve:

- Taking into consideration existing controls to treat consequences, together with all relevant contributory factors that have an effect on the consequences;

- Relating the consequences of the risk to the original objectives;

- Considering both immediate consequences and those that may arise after a certain time has elapsed, if this is consistent with the scope of the assessment;

- Considering secondary consequences, such as those impacting upon associated systems, activities, equipment or organisations.

Level of Severity	Financial	Public Liability	Occupational Health and Safety	Environment	Professional Indemnity	Community (Social & Cultural)/Government/ Reputation/Media	Legal	Positive Consequences
5	Extensive financial loss (>25% annual budget); loss of program or business operation.	Death or permanent disability	Single fatality and / or severe irreversible disability (>30%) to one or more persons	Fatalities occur; extensive release off-site; requires long term remediation.	Extensive litigation with possible class action; worst case loss to organisation; threat to viability of program or service.	Extensive public outcry; potential national media attention.	Extensive fines and litigation with possible class action; threat to viability of program or service.	Significantly enhanced reputation, huge financial gain, significant saving in time.
4	Major financial loss (<25% annual budget); severe impact on program or business operation	Long term illness or serious injury resulting in permanent disability.	Moderate irreversible disability or impairment (<30%) to one or more persons.	Major environmental impact; release spreading off-site; contained with external assistance.	Major complaint with litigation and long term significance; very high loss to organisation.	Serious public or media outcry, broad media attention.	Major breach with fines and litigation; long term significance and major financial impact.	Enhanced reputation, major financial gain, large saving in time.
3	Significant financial loss (<20% annual budget); considerable impact on program or business operation.	Serious injury requiring hospitalisation (i.e. broken limb, facial lacerations, partial disability etc.)	Serious injury requiring hospitalisation and lost time.	Significant environmental impact; on-site release contained with assistance.	Significant complaint involving statutory authority or investigation; prosecution possible with significant loss to organisation.	Significant public criticism with or without media attention.	Serious breach involving statutory authority or investigation; prosecution possible with significant financial impact.	Some enhancement to reputation, high financial gain, good saving in time.
2	Minor financial loss (<10% annual budget); minimal impact on program or business operation	Minor injury requiring medical first aid treatment (i.e. sprains & strains)	Minor injury requiring medical treatment or first aid.	Minor environmental impact; on-site release immediately controlled.	Contain complaint or action with short term significance; medium loss to organisation.	Heightened local community concern or criticism.	Contained non-compliance or breach with short term significance and minor financial impact.	Small benefit, low financial gain, small saving in time.
1	Negligible financial loss (<2.5% annual budget); no impact on program or business operation.	Insignificant – minor injury not requiring medical treatment (i.e. cuts, grazes, bruises, bleeding etc.) / No injury	Minor injury not requiring medical treatment / No injury	Minimal environmental impact; isolated release only.	Isolated, internal or minimal complaint; minimal loss to organisation.	Isolated, internal or minimal adverse attention or complaint.	Isolated non-compliance or breach; negligible financial impact.	Minimal benefit or financial gain, negligible saving in time.

Analysis

This involves using the risk matrix to arrive at a risk category based on the consequences if an event occurred, and the likelihood of that event occurring.

Likelihood	Consequence				
	1	**2**	**3**	**4**	**5**
A	Medium (11)	High (16)	High (20)	Very High (23)	Very High (25)
B	Medium (7)	Medium (12)	High (17)	High (21)	Very High (24)
C	Low (4)	Medium (8)	High (14)	High (18)	High (22)
D	Low (2)	Low (5)	Medium (9)	Medium (13)	High (19)
E	Low (1)	Low (3)	Medium (6)	Medium (10)	High (15)

In accordance with Council's *Risk Management Policy and Framework*, risks categorised as "Very High" require immediate attention, and risks categorised as "High" require attention within seven days. However, Risk Analysis requires further evaluation to determine what risks Council is prepared to absorb, and what risks require treatment, and treatment priority.

Risk Evaluation and Treatment

The decision about whether and how to treat risks depends upon the costs and benefits of taking the risk and the costs and benefits of implementing improved controls. In accordance with Council's policy the following considerations need to be taken into account when considering what actions to take when treating risk issues.

- What current systems may prevent, detect or lower the consequences or likelihoods of undesirable risks or events?

- What are the consequences or range of consequences of the risks if they do occur?

- What is the likelihood or range of likelihood of the risks happening?

- What factors might increase or decrease the likelihood or the consequences?

- What additional factors may need to be considered?

- What are the limitations of the analysis and assumptions made?

- How confident are you in your judgement or research specifically in relation to the high consequence and low likelihood risks?

- Is the logic behind the analysis sound?

- What current systems may enhance or increase the consequences or likelihoods of opportunities or beneficial events?

Risk Assessment

Issue	Risk Analysis			Risk Evaluation
	Likelihood	Consequence	Risk Rating	
Information Management System encompassing Document Control and Gathering Information requires further development, in accordance with the Statewide Best Practice Manual.	B	3	High (17)	The Information Management System is designed to provide accessible information and information permissible in court in order to defend claims. Risk analysis is supported by best practice manuals, published and historical data. The cost of implementing this system is minimal however it relies heavily on human resources.
The Integrated Management System requires further review, development and implementation.	C	3	High (14)	The Integrated Management System is designed to provide information to staff on how to perform their jobs safely, in accordance with quality controls and with minimal environmental impact. It represents Council's major internal information source, and whilst the cost of developing the system is minimal, it relies heavily on human resources.
Purchasing procedures must be developed and implemented to ensure potential hazards associated with the purchase of plant, equipment, goods and services are identified.	C	2	Medium (8)	A Purchasing policy does not exist at present, despite Council operating under established guidelines. Risks exist with not identifying workplace health and safety hazards prior to purchase due to undefined procedures. Negligible cost involved, however requires human resources.
A workplace health and safety auditing function must be established to identify compliance shortfalls and improvement opportunities.	D	2	Low (5)	Council currently has other mechanisms to identify non-compliance issues, however an auditing function would provide a more co-ordinated approach. Negligible cost involved, however requires human resources.
Review existing OHS Manual and procedures in accordance with newly released Codes of Practice to identify areas of non-compliance, and introduce changes accordingly.	C	2	Medium (5)	The OHS Manual forms part of the Integrated Management System providing up to date information for all staff. Risks exist with not providing staff with accurate and current information. Minor cost involved, however requires human resources.
Public safety issues on all Council controlled buildings must be identified and assessed.	B	3	High (17)	Hazards in Council controlled buildings are currently either unknown or have not been addressed. This presents a high risk to Council and will involve significant funds to rectify issues and significant human resources.

Issue	Risk Analysis			Risk Evaluation
	Likelihood	**Consequence**	**Risk Rating**	
A Tree Management System must be established that identifies and assesses risks associated with trees in urban areas.	C	5	High (22)	At present Council does not have a defined system for managing trees, and identifying problem areas. This presents a high risk for Council and will involve significant funds to rectify issues and significant human resources.
A system of identifying and reporting hazards must be established in addition to current mechanisms with control measures implemented in accordance with the hierarchy of controls.	D	2	Low (5)	Council currently has other mechanisms to report hazards, however a formal system is not in place particularly one involving staff having the opportunity to report hazards. Negligible cost and minimal human resources required.
Procedures covering health monitoring require further review and development to ensure health issues are identified and monitoring measures implemented accordingly.	D	2	Low (5)	Whilst Council does provide health monitoring for some work areas, the procedures require further review to ensure what is in place is adequate. Negligible cost and minimal human resources required.
A Volunteer Management System addressing workplace health and safety issues must be established.	B	4	High (21)	Management of volunteers, in particular issues relating to workplace health and safety need addressing and presently a lack of action presents a high risk to Council. Minimal cost and significant human resources.
Planning processes and the setting of objectives and targets for work health and safety must be developed for all levels within Council, and subjected to periodic review.	C	2	Medium (8)	The setting of objectives and targets for workplace health and safety is necessary to ensure the Council is acting in a pro-active manner, and is meeting the requirements placed on Officers. Negligible cost and significant human resources.
Procedures for conducting regular inspections of the work environment, and the testing/maintenance of plant and equipment must be developed and documented.	C	3	High (14)	Whilst workplace inspections have been scheduled, they have not progressed and plant and equipment have not been subjected to inspections for some time. There is a high risk that issues are not being identified and treated. Minimal cost and significant human resources.
Mechanisms for disseminating information to staff, contractors and volunteers must be established to ensure all workers have access to current and accurate information.	C	2	Medium (8)	Council has some mechanisms in place, however not all workers are receiving information. Failure to provide sufficient information to workers is a breach of the *WHS Act 2011*. Minimal cost and minimal human resources.

Risk Treatment Action Plan

Issue	Risk Rating	Control Measures	Resources	RO	Timeframe	Comments
A Tree Management System must be established that identifies and assesses risks associated with trees in urban areas.	High (22)	Develop Tree Management Policy addressing Council's position on tree management.	Consultation group; Best Practice Manual	ERM/ ExE/ DTS	30/06/13	Completed – policy to be adopted at Council's Feb meeting.
		Develop tree selection, planting and management procedure	Consultation group; Best Practice Manual; Horticultural advice.	ERM/ ExE/ DTS	30/06/13	Completed and included in policy.
		Tree management flowchart developed to support Council policy.	Consultation group.	ERM/ ExE/ DTS	30/06/13	Completed and included in policy.
		Develop risk management hazard identification procedure for trees in all Council areas including urban areas, nature strips, parks and rural roadsides.	Consultation group.	ERM/ ExE/ DTS	31/12/12	Completed.
		Identify and train staff to effectively assess hazardous trees.	Training budget; Council staff	DM	31/08/12	Completed.
		Develop a Tree Register which identifies tree groups or individual trees.	Consultation group.	ERM/ ExE/ DTS	31/12/13	Progressing.
		Complaints, assessments and tree management works recorded in the Tree Register.	Consultation group.	ERM/ ExE/ DTS	Ongoing	Progressing.
A Volunteer Management System addressing workplace health and safety issues must be established.	High (21)	Review and redevelop current Volunteer Policy in line with Volunteer Management Strategy.	Volunteer Management information; Consultation group.	ERM/CPO/ DRM/GM	30/06/13	
		Review Managing Volunteer Safety Procedure in OHS Manual in accordance with WHS changes.		ERM	30/06/13	Completed
		Audit Volunteer Register against current volunteer members, and HACC workers.		ERM/DCS	31/12/13	
		Consult with volunteer groups and attend meetings to discuss WHS changes and volunteer requirements.	OHS Committee	ERM	31/12/13	Partially completed
		Conduct risk assessments on all S355 Committee volunteer activities and review those procedures already developed.	Access to Committees; OHS Committee	ERM	31/12/13	Partially completed
		Contact and consult with HACC volunteers to assess activities.	Access to Volunteers; OHS Committee	ERM/ HACC Supervisor	30/06/13	Partially completed
		Eliminate unsafe activities and implement additional controls as required.	Consultation OHS Committee	ERM	31/12/13	

Issue	Risk Rating	Control Measures	Resources	RO	Timeframe	Comments
		Document and issue safe work procedures.		ERM	30/06/14	Partially completed
		Identify training needs and liaise with HRO to arrange training as required.	Training allocation	ERM/HRO	30/06/14	
		Expand Workplace Inspection system to include Volunteer activities.	OHS Committee	ERM	Ongoing	
		Expand Incident and Investigation system to include volunteers.	Staff availability	ERM/HRO	Ongoing	
Public safety issues on all Council controlled buildings must be identified and assessed.	High (17)	Develop checklist combining risk and structural issues		ERM/AMO	31/08/12	Completed
		Perform risk assessments using checklists and develop Building Risk Treatment Plan	Staff availability	ERM/AMO/DM	31/12/13	Completed
		Risk Management Committee adopt Building Risk Treatment Plan	Risk Management Committee	ERM	30/06/14	Risks assessed and treated progressively.
		Works implements in accordance with plan.	Budget	ERM/DM	31/12/14	Risks implemented as identified.
Information Management System encompassing Document Control and Gathering Information requires further development, in accordance with the Statewide Best Practice Manual.	High (17)	Develop Gathering Information and Document Control Policy which reflects Council's position on information management and control.	Statewide Mutual BPM Gathering Information for Information Management	ERM	30/09/13	Currently in draft form.
		Identify documents internally generated by Council, ensure departments include them on listings and that minimum requirements are met.	Statewide Mutual BPM Gathering Information for Information Management	ERM	31/12/13	Gradually completed.
		Establish a central external document listing to ensure only current referral material is used.	Library database established.	ERM	31/12/13	Not required.
		Establish regular monitoring mechanism whereby listings are audited against actual documents used.	Staff availability	ERM	Ongoing	
The Integrated Management System requires further review, development and implementation.	High (14)	Review Design Manual and re-issue	Staff availability	ExE	30/06/14	To be developed
		Review and re-issue Quality Procedures and Environmental Procedures.	Staff availability	ERM/ExE/DTS	30/06/14	Developed and in draft form
		Develop Standard Operating Procedures for all outdoor positions within Council.	Staff availability; Consultation	ERM	31/12/13	Developed and in draft form. To be issued.
		Review and re-issue Inspection and Test Plans in accordance with Document Control procedures, and user feedback.	Staff availability; Consultation	ERM	31/12/13	Completed.
Procedures for conducting regular inspections of the work environment, and the testing/maintenance of plant and equipment must be developed and documented.	High (14)	Expand procedures on workplace inspections to encompass plant and equipment, and adherence to Standard Operating Procedures.		ERM	30/06/14	
		Review testing and maintenance procedures and expand to include internal and external testing and inspection.		ERM	30/06/13	Developed and in draft form
		Monitor internal testing, inspection and maintenance regimes to ensure compliance with	Staff availability	ERM/ OHS	30/06/14	

Issue	Risk Rating	Control Measures	Resources	RO	Timeframe	Comments
		procedures, including Plant and Equipment, and Electrical equipment.		Committee		
Purchasing procedures must be developed and implemented to ensure potential hazards associated with the purchase of plant, equipment, goods and services are identified.	Medium (8)	Purchasing policy developed and adopted by Council.	Staff availability	DCS/FM/ERM	30/06/14	Completed.
		Purchasing procedures developed and communicated to all staff	Staff availability	DCS/FM/ERM	30/06/14	Working group formed with procedures being gradually developed.
		Training provided to all staff regarding purchasing procedures and protocols	Staff availability; Training budget	DCS/FM/ERM HRO	30/06/14	
Planning processes and the setting of objectives and targets for work health and safety must be developed for all levels within Council, and subjected to periodic review.	Medium (8)	Develop, document and implement procedures for WHS planning which outline the planning process and what must be taken into consideration when setting objectives and targets, and include in the OHS Manual.	Consultation	ERM	30/06/14	Developed and in draft form.
		Review WHS objectives in position descriptions for all staff, in accordance with current legislation, and issue to all staff.		ERM/HRO	30/06/14	Gradually developed as PDs reissued.
		Consult with and develop targets for each relevant Manager and their staff in relation to WHS.	Staff availability	ERM/ Managers	30/06/14	
Mechanisms for disseminating information to staff, contractors and volunteers must be established to ensure all workers have access to current and accurate information.	Medium (8)	Develop, document and implement procedure for disseminating information to staff, contractors and volunteers in relation to WHS and include in OHS Manual.		ERM	30/06/14	Developed and in draft form.
Review existing OHS Manual and procedures in accordance with newly released Codes of Practice to identify areas of non-compliance, and introduce changes accordingly.	Medium (5)	Review all sections of the OHS Manual against Codes of Practice and Australian Standards where applicable, and re-issue. Specific areas include: • Electrical Testing and Tagging • First Aid • Working at Heights • Workplace Stress (Bullying and Harassment) • Hazardous Noise • Traffic Access and Egress		ERM	30/06/15	Developed and in draft form.
		Conduct information and training sessions for relevant staff in relation to: • Contractor Management • Construction Safety	Staff availability	ERM	30/06/14	Completed.
A workplace health and safety auditing function must be established to identify compliance shortfalls and improvement opportunities.	Low (5)	Conduct relevant training in WHS Auditing for relevant staff	Training budget	ERM	30/06/15	At present one trained staff to implement function.
		Develop, document and implement a procedure for the conduct of periodic audits that evaluate the quality and effectiveness of the WHS Management System.	Staff availability	ERM	30/06/16	Developed and in draft form.
A system of identifying and reporting hazards must be established in addition to current mechanisms with control measures implemented in accordance with the hierarchy of controls.	Low (5)	Review and redevelop the existing workplace inspection and reporting process.	Consultation	OHS Committee	30/06/16	Completed.
		Explore alternative hazard reporting mechanisms, consult and decide upon best methods, and implement.	Consultation	OHS Committee	30/06/16	Completed.
		Review hazard reporting procedure and ensure		ERM	30/06/16	Developed and in draft

Issue	Risk Rating	Control Measures	Resources	RO	Timeframe	Comments
		reference to hierarchy of controls is stipulated in accordance with legislation.				form.
Procedures covering health monitoring require further review and development to ensure health issues are identified and monitoring measures implemented accordingly.	Low (5)	Review existing health monitoring procedures, and workplaces to ensure health issues are identified and current monitoring is sufficient, and make recommendations where required.		ERM/HRO	30/06/16	Developed and in draft form.