



## **2018 Risk Management Excellence Award**

### **Risk Management Maturation Entry - Scenic Rim Regional Council**

#### **Executive Summary**

The Scenic Rim Regional Council is committed to delivering a comprehensive, robust and effective Risk Management Framework. The Scenic Rim Regional Council appreciates the need for continual improvement and takes steps to ensure the Risk Management Framework is embedded, integrated and regularly reviewed to ensure it is having the desired outcome. The steps Council has implemented to ensure the Risk Management Framework is robust and minimises potential risks directly contributes to the Local Government Mutual Liability scheme by exercising control over the management of legal liability exposures confronting the Scenic Rim Regional Council.

The Scenic Rim Regional Council has previously demonstrated dedication and commitment to continuous improvement and innovation as outlined in the previous recognition of risk maturation in 2014 which included a detailed development of Level 3 Risks than previously undertaken and migration of risks to an integrated digital platform,.

#### **Background**

The Scenic Rim Regional Council commenced its journey to having a dedicated and focussed approach to managing risk in 2008. This was following its formation in 2008 following an amalgamation, as a consequence of significant local government reform, where several previous local government areas (Shire of Boonah, the southern part of Shire of Beaudesert and the Harrisville and Peak Crossing areas from the City of Ipswich) with histories extending back to the early 1900s and beyond were amalgamated. The Scenic Rim Regional Council consists of 6 divisions with one councillor per division and a mayor.

#### **Risk Maturation**

Council's risk management framework has progressively matured over the past 10 years, with a dedicated continual improvement approach to ensure the framework remains agile in meeting the organisational risk requirements. To date, Council's most notable achievements in the risk management space identified as they align to the AS/NZS ISO 31000: 2009 Principles (soon to be updated to the new Standard 31000:2018) are outlined in [Appendix A](#).

## **Risk Integration**

Scenic Rim Regional Council is committed to ensuring risk management is integrated into business process and decision making. This is evident through several initiatives Council has adopted, including but not limited to the inclusion of the identification of relevant strategic risks and a risk assessment of identified risks on meeting agenda papers for all Executive Level and Council meetings.

### ***Risk Assessments for Executive Team and Council Meeting Agenda Items***

The implementation of Strategic Risk identification and Risk Assessments into Council's meeting report structure has been a highly effective way of ensuring Directorates are considering the risks of all items submitted to the Executive and Council. This process also ensures risk is factored into the decision making process when considered by the Executive Team and Council.

An example of a meeting agenda template is provided at [Appendix B](#).

### ***Formation of the quarterly Risk Reference Group***

What this group does is review current and emerging risks in the presence of the CEO and other key decision-makers on a quarterly basis. External advisors are also invited to attend to provide input eg. JLT Regional Risk Co-ordinator, Fran Gilbert and others

## **Risk Innovation and Continuous Improvement**

In line with our previous practise of conducting Risk Review workshops to improve our risk maturity, it was decided to hold another Enterprise Risk Management workshop on the 9 March 2018. This time, Council's Senior Executive Team decided to extend the invitation to our Elected members to improve their understanding of risk matters and reinforce the "tone from the top". In addition to the Mayor and a number of Councillors, the Workshop was attended by Council's senior executive team members, our JLT Regional Risk Coordinator Fran Gilbert and JLT Senior Risk Consultant Nick Rossmann, and externally facilitated by JLT Principal Risk Services Eddie Stewart.

The focus of this Workshop was to provide an opportunity to re-focus on risk management, to incite refreshed energy and innovation when considering how the Council views risk management and what further improvements could be adopted. Furthermore, the Workshop provide an opportunity to have dedicated time to focus purely on risk management, without the everyday distractions and interruptions and allowing for an open forum to raise ideas and thoughts on how well the Council is performing in this space, what could be done better. A summary of the Workshop Agenda:

- Overview of What is Risk Management and benefits expected to be achieved from a Risk Management Program
- Overview of Councils current Corporate Wide Risks
- Overview of what are Strategic Risks
- Overview of what is Risk Appetite and associated Risk Appetite Statements
- Review Council's current 36 Corporate Wide Risks
- Develop Council's Risk Appetite
- Develop Risk Appetite Statements for each of the respective major Risk Categories

The Workshop focussed on the risk management framework and considered Council's approach to managing risk, ensuring its relevancy and currency within the current environment. A key output of the Risk Workshop was the agreement of the Council's risk appetite including risk appetite statements for critical business areas across the organisation. The Scenic Rim Regional Council Risk Appetite Table, a key output of the Workshop, is provided at [Appendix C](#).

Based on the outcomes of this latest workshop, it is Council's intention to continue to refine and modify our risk statements, ratings and controls on a quarterly basis, and to monitor and re-visit our Risk Appetite statements and other key documents at appropriate intervals.

By rolling out a risk-aware culture throughout the organisation, we envisage a safer community through the prevention of incidents, better responses when they do occur, and ultimately a reduction in insurance costs over the longer term.

## Scenic Rim Regional Councils Risk Initiatives

Initiative	Alignment to AS/NZS ISO 31000: 2009 Principles										
	Creates and protects value	Be an integral part of organisational processes	Be part of decision making	Explicitly address uncertainty	Be systematic, structured and timely	Based on the best available information	Be tailored	Take into account human and cultural factors	Be transparent and inclusive	Be dynamic, iterative and responsive to change	Facilitate the continual improvement of organisations
Introduction of risk appetite into the Risk Management Framework	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Risk Workshop held 9 March 2018, represented by Council's senior Executive Team, facilitated by JLT Regional Risk Coordinator and attended by JLT Senior Risk Consultant				✓					✓	✓	✓
Establishment of an effective Enterprise Risk Management Framework and Risk Tool Sheet	✓	✓	✓	✓	✓		✓				✓
Adoption of pre-defined risk consequence guidelines	✓		✓	✓	✓	✓	✓				✓
Risk management registers migrated into cloud-based enterprise risk management system compliant with ISO 31000:2009					✓				✓	✓	✓
Adoption of three (3) levels of assigned risk level	✓			✓		✓				✓	✓
Integration of a detailed risk analysis for Council meeting agenda items	✓	✓	✓	✓		✓			✓	✓	✓
Council's Audit and Risk Committee includes risk review as an agenda item	✓	✓	✓	✓		✓			✓	✓	
Council's Audit and Risk Committee includes members of External Audit, QAO, BDO plus an external risk specialist representative				✓					✓	✓	✓
Quarterly Risk Reference Group Meetings involving Council's Management Group and external representative Regional Risk Coordinator JLT				✓					✓	✓	✓
High value risks identified separately and monitored through various forums including the Audit and Risk Committee	✓		✓	✓	✓				✓	✓	✓
Integration of risk management into the complaints management process	✓	✓	✓	✓		✓			✓	✓	✓
Integration of risk management into the investigation management process	✓	✓	✓	✓		✓			✓	✓	✓
Integration of risk management into WHS	✓	✓	✓	✓		✓			✓	✓	✓
Integration of risk assessment process for undertaking operational works	✓	✓	✓	✓		✓			✓	✓	✓
Integration of risk management into project management	✓	✓	✓	✓		✓			✓	✓	✓
Integration of risk management into hazard assessment process	✓	✓	✓	✓		✓			✓	✓	✓
Integration of risk management into disaster management	✓	✓	✓	✓		✓			✓	✓	✓

## Scenic Rim Regional Council Meeting Agenda Template

### Agenda Item

### Purpose of Report

<< This section is mandatory - Select this field and type in the purpose of the report >>

### Risk

#### Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

<<Select this field and type in the relevant Level 1 and Level 2 strategic risks from the Corporate Risk Register.>>

#### Risk Assessment

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
[Choose a Risk Category from drop down list.]  [Please provide more information.]	[Choose a Consequence from drop down list.]	[Choose a Likelihood from drop down list.]	[Choose a Risk Rating from drop down list.]	[Please insert Treatment of Risks details and/or existing control methods.]	[Choose a Risk Rating from drop down list.]
[Choose a Risk Category from drop down list.]  [Please provide more information.]	[Choose a Consequence from drop down list.]	[Choose a Likelihood from drop down list.]	[Choose a Risk Rating from drop down list.]	[Please insert Treatment of Risks details and/or existing control methods.]	[Choose a Risk Rating from drop down list.]
[Choose a Risk Category from drop down list.]  [Please provide more information.]	[Choose a Consequence from drop down list.]	[Choose a Likelihood from drop down list.]	[Choose a Risk Rating from drop down list.]	[Please insert Treatment of Risks details and/or existing control methods.]	[Choose a Risk Rating from drop down list.]

<<INSERT additional rows in the table if required or DELETE rows if they are not required.>>

## **Report**

<<This section is mandatory - Select this field and type the relevant text >>

## **Attendance**

<<Name/s>> will be attending the meeting.

## **Attachments**

1. <<Select this field and type the attachment name - OR - If no attachments type Nil.>>

## **Prepared by:**

<<*Officer Name*>>

<<*Officer Position*>>

<<*Date*>>

***File Reference: <<File Reference>>***

*This item and any accompanying attachments may contain confidential and/or privileged information. It is for information only and must not be released without the prior permission of the Chief Executive Officer.*

Scenic Rim Regional Council Risk Appetite Table

	<b>LOW</b> <b>Averse</b> Preference for options that avoid risk	<b>Minimal</b> Preference for ultra-safe options with low inherent risk	<b>MEDIUM</b> <b>Cautious</b> Preference for safe options with low degree of residual risk and limited potential for reward	<b>Open</b> Willing to consider all options with a preference for prudent options and an acceptable level of reward	<b>HIGH</b> <b>Hungry</b> Enthusiasm for innovation leading to preference for higher rewards despite greater inherent risk
<b>Risk Categories</b>					
<b>Infrastructure and Assets</b>			<b>X</b>		
<b>Business Continuity</b>		<b>X</b>			
<b>Governance, Risk and Compliance</b>		<b>X</b>			
<b>Financial</b>			<b>X</b>		
<b>WHS</b>	<b>X</b>				
<b>Workforce</b>			<b>X</b>		
<b>Environmental</b>			<b>X</b>		
<b>Community and Civic Leadership</b>		<b>X</b>			
<b>Economic</b>				<b>X</b>	
<b>Political</b>		<b>X</b>			
<b>Business Systems and ICT</b>				<b>X</b>	