



Risk Management Plan

March 2016

Release Notice

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Reason for release: The following document has been developed by the Central Desert Regional Council as part of its Risk Management Framework. It documents actions taken and will be taken to manage risks identified.

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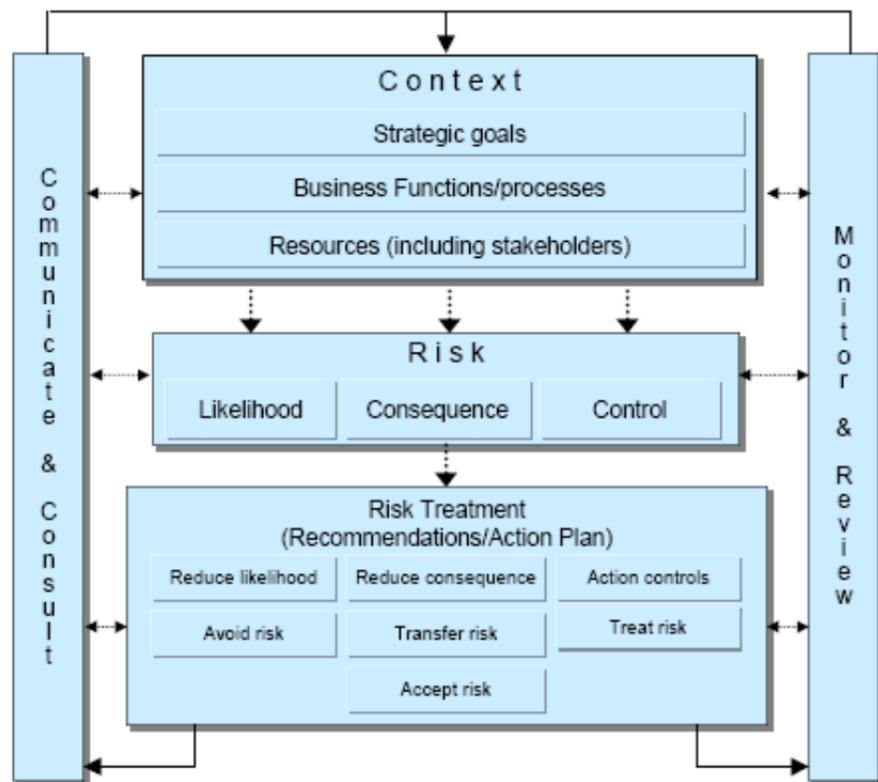
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Table of Contents

1	Introduction	4
2	Strategic Context	5
2.1	Political/Economic	5
2.2	Social	6
2.3	Internal	7
2.4	Natural Environment	7
3	Risk Definition and Classification	9
4	Risk Identification and Management Table	10

1 Introduction

The following risk analysis and Risk Management Plan has been developed in accordance with the Central Desert Regional Council Risk Management Framework and complies with the Australian Risk Management Standard AS4360 (AS/NZS ISO 31000). The following provides a high level diagram of the risk management process:



2 Strategic Context

The following provides a high level review of the current strategic context of the Central Desert Regional Council. These specific issues are further elaborated and detailed within the Risk Management Plan.

2.1 Political/Economic

The Central Desert Regional Council was formed in 2008 by amalgamating a number of smaller community councils. The amalgamation process also included the development of a Local Government Act which came into force in 2008. Additional changes to the Local Government Act were made in 2014 which the main change was establishment of Local Authorities in each community, there is currently a local government review in process.

The following is a summary of some of the residual political & economic issues within the Central Desert Regional Council:

- **Poor funding for core services.** The Council is heavily reliant on grant funding for both municipal and agency services with only about 2% of all funding being self-generated through rates. The Council is under pressure to provide an increased range of services to nine communities stretching the size of Victoria with a diminishing funding. The main source of operational funding is through the Federal Government's Financial Assistance Grants (FAA grants). These grants were frozen at 2014 levels until 2017/18.
- **Conditional rating.** The NT Government has imposed conditional rating on all pastoral and mining tenements. The amount is established by the Minister for Local Government. It is the opinion of the local government sector that the "provisions are inequitable, fail to comply with the principles of taxation and remove from an elected government body key decision-making over the levying of its only tax¹." It should be noted that the rates charged and originally set by the Territory Government commenced at such low levels in 2008 compared to interstate councils that rates raised from these category of rate payers is less than 1% of the total rates levied.
- **The S19 Lease payments.** Payments for leasing of Aboriginal Land place additional financial pressures on own source revenue. Leasing costs approximately \$240,000 per year (23% of current rates collected and 10% of the total of current FAA grant).
- The Regional Council has a very small population base (4331 people) and limited rateable properties. The majority of Council's income (approximately 96%) is sourced from non-rates revenue. This means that **Council is highly dependent on grant funding** for both core and agency services and has very limited discretionary funding. Furthermore, where new assets are acquired or built there is little provision for the on going maintenance costs of these assets.
- **Regional Council is the service delivery arm of many NT and Commonwealth Govt programs** – the Regional Council delivers a range of services within the catchment,

¹ LGANT 2016 Territory election submission pg 5 ff

some of which are beyond the scope of “normal” metropolitan councils including CentreLink, AustraliaPost, child care, aged care, etc. These services are typically grant funded and delivered in accordance with government policy. The Regional Council has limited control over determining the service levels and or services provided. Funding for these services is often inadequate and the Regional Council may have limited ability to deliver the services in the future as Council is unable to financially subsidise delivery costs.

- **Uncertainty around a change in federal government policy** which is may see funding reduced or redirected. Recently announced changes to the Community Development Program guidelines may significantly impact on the Council’s ability to provide cost effective service in this area.

2.2 Social

The Regional Council comprises of nine communities and a number of smaller communities and outstations. Each community is relatively small (<1000 residents) and over 85% of the population is indigenous.

- Historically there have been high levels of **social unrest** in some communities which has lead to violence in the impacted communities. The community unrest has resulted in poor attendance at some local authority meetings as well as disengagement in local governance. Social unrest in the community also impacts on local employment (with significant levels of absenteeism) and participation in local programs such as CDP and service delivery.
- **Community housing shortages** – all communities within the Central Desert Regional Council suffer from housing shortages. The provision of suitable accommodation has been cited as a major focus of the NT and Commonwealth governments, however very little new accommodation is being constructed and the existing accommodation is often of poor quality.
- There is **limited Regional Council housing** available for staff in communities and as a result the Regional Council is unable to recruit people who are external to the community. This impacts on the ability to recruit skilled or mentor positions where suitable candidates are unlikely to be sourced from the local community.
- There are **limited employment opportunities** within the communities and as a result there are generally high levels of unemployment. The Regional Council also experiences difficulties in filling vacancies within these communities.
- The Regional Council’s communities have maintained their strong indigenous culture and thus employees who are from outside this culture must operate in a cross cultural working environment. Conversely, the local indigenous staff must also work within the constraints of the western working environment.
- In addition the Regional Council population base has decreased based on updated ABS Census data and may have flow on effects that include reduced finance and grant funding provided to programs.

2.3 Internal

The Central Desert Shire Council was formed in 2008 by the NT Government. Subsequent legislative changes in 2014 renamed the Shire to a Regional Council.

Financial Sustainability is a concern for all Local Government in the Northern Territory. The Department of Housing, Local Government and Regional Services (under the previous NT government) undertook a review of Council's Financial Sustainability. This report indicated that all Regional Councils within the NT face sustainability issues. The Council is experiencing eroding revenue as well as increased expenses. A detailed and comprehensive financial review is underway to ensure future financial sustainability. It should be noted however that the highly restricted nature of the operational grants continues to pose an extreme risk to the Central Desert Regional Council.

- The Northern Territory and Alice Springs itself has a **high level of staff turnover**. This is significant for the Regional Council's Alice Springs office where voluntary staff turnover is approximately 35% per annum. It is more pronounced in the communities where staff turnover can exceed 50% per annum. High staff turnover is also evident in the Regional Council's main stakeholders both government and non-government.
- **Poor IT support for remote sites**. At the formation of the new Councils in 2008 the NT government selected and implemented a range of computer systems. The Councils experienced a range of issues during the implementation. A number of legacy issues arising from the initial implementation exist. High staff turnover has also impacted on Council's ability to ensure all staff are adequately trained. In addition currently 9 of our 11 sites are running on poor public residential grade connections or satellite connections due to remoteness and cost.
- Early system issues and insufficient training, the Regional Council has under-developed **record keeping practices**.
- There is ongoing speculation over the **hand over of NT roads to local governments**, however little factual information is available at this time. Similar speculation applies to airstrips in the region.
- **Increasingly sophisticated compliance obligations** impose additional resource requirements and are seen to divert labour from direct service delivery.
- **Staff absenteeism and low productivity** in remote communities poses challenges for service delivery.

2.4 Natural Environment

The climate is hot and arid in the south with increasing monsoonal impact towards the northern boundaries. The main issues that impact on Council are:

- The Regional Council area is frequently impacted by monsoonal type rain activities which cause **localised flooding**. Rain will often cause roads and creeks to become impassable isolating some communities and also resulting in widespread damage to roads. This also impacts on Council's head office which is located in close proximity to the Todd River and is in the identified flood area.

- **Fire** is another risk to communities with limited fire fighting facilities and geographical isolation compounding the fire danger.
- The issue of climate change was considered by Council and it concluded that the potential impacts of climate change are dealt with more appropriately as individual risks.
- **The remoteness of the Central Desert Regional Council is seen as a “multiplier” on all identified risks.** The geographical isolation and remoteness of the Regional Council has some specific issues and these include:
 - Supply difficulties
 - Quality and reliability of communication facilities
 - Staff attraction and retention
 - Staff safety
 - Logistical issues associated with remote service delivery.
- The **water supply** is limited across the region will both the quality and quantity of the water available to residents of concern.

3 Risk Definition and Classification

E – Extreme risk – detailed action plan required
 H - High risk – needs senior management attention
 M – Medium risk – specify management responsibility
 L – Low risk – manage by routine procedures

High or Extreme risks must be reported to Senior Management and require detailed treatment plans to reduce the risk to Low or Medium.

	Consequence				
Cultural	Unsubstantiated transgression of cultural protocol.	Minor transgression of cultural protocol resulting in low level discomfort.	Interference with cultural event or practice. Temporary impact on sacred site. Temporary disengagement with community.	Desecration of sacred site or major interference with significant cultural event. Disengagement with the community.	Permanent desecration or destruction of significant sacred site. Total permanent loss of cultural expression. Total or permanent disengagement with the community.
Environmental Impact	Brief pollution but no environmental harm	Minor/ transient environmental harm	Significant environmental harm with mid term recovery	Significant long term environmental harm	Catastrophic, long term environmental harm
People/Health	No Injuries or ailments requiring medical treatment.	Minor injury or First Aid Treatment Case.	Serious injury causing hospitalisation or medical treatment cases.	Death or life threatening injury or multiple serious injuries causing hospitalisation.	Multiple deaths or multiple life threatening injuries or severe permanent disabilities.
Reputation	Unsubstantiated. Low impact, low profile or no news item	Substantiated, low impact, low news profile.	Substantiated, public embarrassment, moderate impact, moderate news profile.	Substantiated, public embarrassment, high impact news profile, third party actions.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party action.
Operation	Little impact	Inconvenient delays	Significant delays to major deliverables	Non achievement of major deliverables	Non achievement of key objectives
Financial	<\$20,000	\$20,000 to \$100,000	\$100,000 to \$250,000	\$250,000 to \$500,000	More than \$500,000

		Probability:	Historical:		Insignificant	Minor	Moderate	Major	Catastrophic
					1	2	3	4	5
Likelihood	>1 in 10 More than once a year	Is expected to occur in most circumstances.	5	Almost Certain	H	H	E	E	E
	1 in 10 – 100 At least once a year	Will probably occur in most circumstances.	4	Likely	M	H	H	E	E
	1 in 100 – 1,000 At least once in three years	Should occur at some time in the future.	3	Possible	L	M	H	H	E
	1 in 1,000 – 10,000 At least once in 10 years	Could occur at some time.	2	Unlikely	L	L	M	H	H
	1 in 10,000 – 100,000 Less than once in fifteen years	May occur but only in exceptional circumstances.	1	Rare	L	L	L	M	H

Score: ≥ 8 is EXTREME 6 - 7 is HIGH 5 is MODERATE ≤ 4 is LOW

4 Risk Identification and Management Table

Interpretation of columns:

Risk Ref	Unique internal reference number – used for reporting purposes (note that P is political risk, B is business risk, S is social risk and E is environmental risk).
The Issue	The general issue used to identify the cause of the risk. This can result in a number of specific risks and therefore may be duplicated within the table.
The Risks (what could happen)	An assessment of what MAY be the result of the risk.
Consequence	This is an assessment tool used to identified the severity of the impact of the risk <i>should it occur</i> . The consequence classification is documented in Section 3 <u>Risk Definition and Classification</u> .
Likelihood	This is an assessment of the likelihood of the risk event occurring. The likelihood classification is documented in Section 3 <u>Risk Definition and Classification</u> .
Risk Rating	A risk assessment based on both the consequence and likelihood rating.
Existing Controls	The existing practices, procedures, measure, etc that the Regional Council currently has in place to manage the risk.
Adequacy of Controls	An assessment of the adequacy of the controls. The risk can be treated, transferred, avoided or accepted. Within the table, if the controls can be improved the item is marked with TREAT. If the controls are adequate, outside the control of the Regional Council, or prohibitively expensive, the item is marked as MONITOR.
Proposed Treatment	A statement of the proposed treatment of the risk.
Cost	The cost of implementing the proposed treatment.

Responsible Officer	The officer responsible for undertaking the proposed treatment.
Timetable for Implementation	The proposed timetable for implementation (assuming budget has been endorsed).

Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
B.02	Geographically isolated communities and staff travel on remote roads Physical injury to staff as a result of vehicle accidents and or stranding in remote areas.	9 E	4WD training compulsory for all staff (in house or external). Satellite phones issued to travelling staff. Use of Spot trackers where appropriate. All vehicles used for remote long-distance travel to be fitted with EPIRBs.	Could be improved – TREAT	Policy on remote travel adopted by Council. Review of success of policy required.	DCORP	Remote Travel Policy re-written to enforce minimum safety requirements. Ongoing review of incidents through WH&S processes Ongoing development of policy and resources in conjunction with Asset Manager.	On going monitoring	7 H
					Establish in house training option(s)	DCORP DW&I	Staff member has been identified and new position description established. Implementation plan to be developed	30 June 2016	
					Develop minimum standards for vehicle recovery equipment.	DW&I	Remote Travel Policy re-written to enforce minimum safety requirements.	On going monitoring	
F.06	Small resident population and conditional rating leads to inability to generate sufficient own source income meet the demands of the community.	9 E	Currently conditional rates are gazetted. Review of rateable properties to ensure maximising rating opportunities.	NA	This risk may have to be ACCEPTED, however it may be possible to reduce the reputational risk through on going lobbying and community education.	DCORP	Council to lobby NT Government to remove conditional rating (or re-base existing rates).	Ongoing	9 E
F.07	Insufficient funds are	9	Asset Management	TREAT	Develop appropriate	CEO /	Asset Replacement reserve created to	Review	6

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	allocated to asset renewal/replacement leading to aging fleet. (1) increasing incidence of failure rate leading to risk of achievement of strategic objectives (2) increasing costs associated with repairs and maintenance (3) reduction in revenue received from sale of assets	E	Plan indicates approximately over \$700K per annum needs to be allocated to fleet and plant asset replacement. Current financial situation does not allow this level of investment. Useful life on vehicles has been artificially extended.		charge out rates to ensure cost recovery to agencies and build in depreciation costs (replacement costs).	DCORP	cash back asset replacement in the future.	annually	H
					Implement asset replacement plan with committed funding on an annual basis equal to depreciation costs.	DW&I	10 year Fleet and Plant plan has been developed and costed. Facilities and Asset Plans are being developed. Agency and Commercial Services, and grant funded projects paying full cost recovery through leases Improvement vehicle management processes have been implemented.	Review annually	6 H
F.08	No indexation of Federal Grants until 2017/18 resulting in reduction in real income and costs exceeding income.	7 H	Strong budget processes to ensure monitoring of costs.	Adequate	Continue to improve financial management processes. Review opportunities for cost reduction through strategic purchasing.	CEO DCORP		Ongoing Ongoing	
F.09	NT Government's Remote Procurement Policy provides opportunities for commercial opportunities within NT Government contracting and joint ventures with local business.				Seek opportunities for commercial contracting. Document ability to provide labour as part of joint venture opportunities.	DW&I DCORP	Ongoing review of tendering opportunities.	Ongoing June 2016	
P.08	Reliance on grants - Council is required to provide a number of services that are not	9 E		Adequate	Develop fully costed budgets for agencies.	DCOM & DCORP	All program areas in of CDRC assessed to determine full costs to ensure real costs are paid for.	Ongoing	5 M

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	adequately funded by the NT or Commonwealth governments.						Current negotiations to with various Government Departments to secure 'actual cost' funding.				
							Introduce fee for service charges where applicable.	DCOM		Fee for service charges have been introduced and negotiated where appropriate.	Review annually
							Develop long-term targeted advocacy strategies to best place Council services if funding cuts occur	DCOPR		Develop media strategy to address funding issues where required.	Ongoing
							Strategically explore alternative funding sources such as philanthropic and corporate joint ventures.	DCORP			Deferred
							Continue to improve quality of service to ensure competitive standard and good reputation in grant funding marketplace.	DCOM / DCORP		Ensure grant progress reports are produced in a timely manner.	Ongoing
							Cease to operate services that are not adequately funded.	Council		Actioned when required.	Review
S.02	Community housing shortages - health issues, social unrest causing injury, property destruction and social disengagement.	9 E		This issue is largely out of the control of the Regional	Continued advocacy with appropriate agencies. Lobby agencies and explore options for where Council can play a	CEO/ DW&I	Continued advocacy in this area. Continue to work with TH to promote appropriate maintenance within community housing stock.	Ongoing. Annual review	9 E		

Score: ≥ 8 is EXTREME

6 - 7 is HIGH

5 is MODERATE

≤ 4 is LOW

Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
				Council and the only treatment available is continued advocacy – MONITOR	leadership role.				
E.04	Existing water supplies are not sustainable in the long term leading to uncertain supply. OUTSTATIONS	8 E	Regular monitoring of outstation water supplies by staff. Ability to truck water to attend to emergencies.	MONITOR	In outstations the Regional Council is the appropriate authority. Development of water infrastructure including establishing new supplies and greater storage capacity.	DW&I	Current capital works program addressing known issues.		5 M
E.05	Existing water supplies are not sustainable in the long term leading to uncertain supply. COMMUNITY	8 E		MONITOR	Continue to lobby Power and Water to ensure adequate planning for community based water supply.	CEO	Regular meetings scheduled with Power and Water Lobby NTG for increased investment in water infrastructure for remote communities. Lobby Federal Government as part of Northern Australia Development.	Ongoing	8 E
S.03	Cultural awareness and cross cultural working environment - high staff turnover, as a result of burnout and an inability for staff to deal effectively with cultural issues.	8 E	Mandatory cross cultural training for all non-indigenous staff.	MONITOR	Continue to monitor the effectiveness of cross cultural training.	DCORP	Cross cultural training is being conducted.	Ongoing	5 M
					Develop training for indigenous staff on western cultural / work ways.	DCORP	Induction videos have been produced in major languages	Complete - review	

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
					Develop Community Management Handbook that contains community mapping relevant to the specific community.	DW&I	CSM Handbook in development.	June 2016	
S.07	Lack of Regional Council staff housing in communities Unable to place staff in communities leading to reduction in service outcomes.	8 E	Apply for funding where possible. Success with SPG grant funding has provided some mitigation of this risk.	Adequate – MONITOR	Continue with existing treatment. Prioritise in strategic funding applications – ABA, SPG etc	DCORP / DW	Some limited success in grants for staff housing. This is inadequate and continued lobbying is required. All areas to ensure R&M for staff housing.	Review before 30 June 2015 DCORP: A review of rents and payment from staff will ensure improved approach & funding for current staff housing.	5 M
S.08	Poor quality staff housing.	7 H	Inadequate housing R&M budget	TREAT	Improve facilities maintenance processes and planning.	DW&I	Facilities management position created and funded from facilities management fee. Facilities maintenance plan developed. Improved housing stock management.	Review annually	5 M
					Allocate realistic budget to R&M	DCORP	Facilities reserve has been established to improve long term sustainability of housing stock. Adequate long term funding still poses threat.	Review annually	5 M

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B.03	<p>Computer systems do not support the organisation's business requirements.</p> <p>Reduced productivity due to poor understanding of the system and / or the systems inability to meet business needs.</p>	7 H	Staff training and procedural documentation.	Limited - TREAT	Review whole IT approach & resources committed to ICT.	DCORP	Actively engaged with CouncilBIZ to shape the ICT function of the Council. Member of CouncilBIZ board. Member of Operational Group.	Ongoing	5 M
					Review poor satellite access.	DCORP	Southern Regional Satellite tender was undertaken but ultimately unsuccessful due to lack of support from southern councils. Continued investigation into alternative solutions including partnership with RDA to roll out wireless internet access to Atitjere and Engawala.	June 2016	7 H
					Review Interplan & TechnologyOne approach and ensure basic productivity tools are implemented where budget allows.	DCORP	Implementing system improvements where possible. <ul style="list-style-type: none"> Improved budget packs Review of purchase cards module Review of travel module 	June 2016	7 H
B.06	<p>Geographically isolated service delivery centres</p> <p>Coordination of works across communities is difficult leading to increased cost, poor delivery standards.</p>	7 H	Contract management Performance management	Could be improved – TREAT	Improve communication within Regional Council operations	DW&I	Regular Works Planning days are undertaken (every two months) to improve planning and communication.	Ongoing	5 M
					Planning and budgeting	DW&I	Core works matrix developed and implemented. Regular planning days established. Improved budget reporting processes.	Ongoing	5 M
					Develop regional capacity	DW&I	All managers in Works & Infrastructure development are being trained in management and project	Ongoing	5 M

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
							management skills. Regional Works Manager positions established to improve regional coordination.		
					Project management	DW&I	Project management templates are in development	June 2016	5 M
B.08	Non-prescriptive legislation results in unclear procedures or ambiguity in legislative requirements. Non-compliance with legislation, ambiguous procedures.	7 H	Ongoing development of procedures and policies.	TREAT	Continue ongoing development of policy and procedures to supplement legislation.	DCORP	Accounting Manual prepared and is under continued review. Policy and procedures under ongoing review.	Annual review	5 M
						DCORP	Internal audit process being established and implemented	June 2016	5 M
B.10	Potential hand over of NT roads to local authorities Insufficient resources to adequately meet maintenance requirements of the roads	7 H	Current situation is unknown.	Continue with current approach – MONITOR	Continue to lobby NT government – ensure on agenda of regional CEO forum and LGANT	CEO	Continue to monitor situation.	Monitor	7 H
B.12	Staff turnover - Additional training costs	7 H	Strategic HR Plan has been developed in an attempt to improve staff retention.	MONITOR	Review and implement where possible recommendations from study into staff retention in remote and regional area.	DCORP	Induction video has been produced in major indigenous languages. Various online training options have been investigated for higher level training requirements.	Monitor	7 H
B.13	Staff turnover - High cost of recruitment	7 H	Strategic HR Plan has been developed in an attempt to improve staff retention.	MONITOR	Review and implement where possible recommendations from study into staff retention in remote and regional	DCORP	Actively reviewing cost of recruitment.	Monitor	7 H

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					area. Strategic review of HR advertising channels and key position criteria to attract candidates with broader skill sets.				
B.14	Staff turnover - Lack of experience may result in poor compliance with procedures and processes.	7 H	Inductions.	Could be improved – TREAT	Strengthen induction training	DCORP	Induction video has been produced in major indigenous languages. Compliance with induction requirements was being monitored.	Monitor	5 M
					Improve procedure documentation	DCORP	Policy and procedural documentation being updated and reviewed in accordance with schedule.	Monitor	5 M
					Staff Handbooks for each Community Services program	DW&I	Staff handbooks which include standard operating procedures is under development	June 2016	7 H
B.16	Lack of understanding of process and procedures for CSMs - Inconsistent service delivery and disgruntled SDC staff including CSMs.	7 H	Core Service Matrix, Monthly CSM reports, bi-monthly SSD meetings and fortnightly CSM phone conferences provide clarity on roles and targets.	IMPROVE	CSM Handbook Improved induction Ongoing staff support	DW&I	Current turnover of senior community staff is minimal. Bi monthly meetings of managers introduced. Works Supervisors forum established. Admin Staff forum established. Works Conference undertaken to improve overall sector knowledge.	Monitor	5 M
F.01	Grants provided for some services are not sufficient to cover basic costs and thus the Regional Council is funding	7 H	Regional Council will continue with service delivery. Currently improving	Could be improved - TREAT	Improve internal costing process to ensure that costs incurred by agency funded services are fully	DCOM / DCORP	Improved financial reporting allowing directly attributable costs being allocated to agency services. Improved internal allocation process.	Ongoing	5 M

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	<p>these services from discretionary funds</p> <p>Reputation risk should the Regional Council withdraw from providing this service.</p> <p>Perpetuation of this situation will eventually result in the Regional Council becoming insolvent.</p>		cost recovery processes.		<p>costed.</p> <p>Negotiation with funders to provide additional 'actual cost' funding or identify alternative provider</p>		Continued negotiation with funding agencies has resulted in some programs being re-based (Aged Care).		
						DCORP	Increased scrutiny of grants has improved grant outcomes.	Ongoing	5 M
F.05	<p>Small rate base</p> <p>Unable to raise rates due pressure from both government and business groups</p>	7 H	Limited ability to control this risk.	May have to accept this risk and continue to monitor the situation – MONITOR	Ongoing advocacy with LGANT.	CEO	Ongoing	Ongoing	7 H
P.03	High dependence on grant funding makes the Regional Council highly vulnerable to changes in government policy.	7 H	Proactive in developing strong relationships with funding providers	The Regional Council has very little control over this and may have to accept this risk.	<p>Develop transition plan where government withdraws from service to seek alternative funding.</p> <p>Introduce fee for service charges where applicable.</p> <p>Develop long-term targeted advocacy strategies to best place Council services</p> <p>Strategically explore</p>	DCOM/DC ORP	<p>Ongoing</p> <p>Continuous improvement initiatives being put in place to ensure that agency services are responsive to consumer demand, and changes in Government priorities. Specific attention to ensuring services are meeting minimum quality standards.</p>		

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
					alternative funding sources such as philanthropic and corporate partnerships Continue to improve quality of service to ensure competitive standard and good reputation in grant funding marketplace				
P.13	Community is reluctant to accept changes in service delivery that are required as a response to changes in government priorities.	8 E	Proactive in developing strong relationships with funding providers Strong messaging in community.	MONITOR	Strong messaging in community.				
B.18	Council unable to sustain participation rates sufficient to make business viable.	7 H	Strong messaging in community. Promotion of scheme through LA. Strong financial controls.	MONITOR					
B.19	Council unable to respond adequately to changes in the CDP commercial contract conditions resulting in poor financial outcomes.	8 E	Flexible staffing plan. Clear communication with Council.	TREAT	Improved data from PM&C to allow Council to proactively respond to changing participation levels and staffing requirements.				
P.04	High levels of social unrest in communities leading to systemic incidents of violence	7 H	Mediation program that employs community	MONITOR	Strengthen Mediation and Justice Committee and peace working	DCOM	Funding for mediation and justice expires in 2016/17. Currently negotiating with PM&C to extend	June 2016	7 H

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	and / or dysfunctional community organisations Social unrest, particularly violence within the community impacts negatively on the Regional Council and impacts on: <ul style="list-style-type: none"> • Reputation • Ability to recruit • Increases direct costs via destruction of property • Delays in service delivery 		members to engage with families and help work through and resolve issues. This program is currently only located in Yuendumu.		groups to facilitate community harmony.		funding. Continue to develop and support Willowra peace process. Ensure Community Safety teams are proactively dealing with issues. Develop Alcohol and DV Strategy		
					Formalised emergency response procedures in communities to minimise risk to staff.	DW&I	Community safety plans are the responsibility of the Police. Community Safety Officers actively engaged in Community safety Plan development.	June 2016	5 M
					Work with strategic partners to improve community morale.				7 H
					Work with government agencies to expand mediation services to other communities.	DCOM	Funding for mediation and justice expires in 2016/17. Currently negotiating with PM&C to extend funding.	June 2016	7 H
S.01	Birth rates – communities have high birth rates leading to large number of children within communities Pressure on children's services – leading to increasing demand on services and thus more resourcing required.	7 H	Improve quality of services delivered through training of local staff and working towards national quality standards Advocacy with funding bodies for additional funds	MONITOR	Continue with existing approach.	DCOM	DCOM negotiating with funding providers for additional operational funds.	Monitor	5 M

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
			Implementation of a voluntary fee for service charge						
S.05	High unemployment in communities resulting in crime, social disharmony	7 H	Community Safety Patrol to help address ensure reduced levels of crime, social problems & disharmony.	MONITOR	Ensure Community Safety Patrol is operating within the Operational Framework. Appears to be effective. Continued support of this program is required.	DCOM		Monitor	7 H
S.06	High unemployment in communities Disengagement of local community leads to difficulties in recruiting local staff and thus high levels of vacancies in the communities. This could be an opportunity if we could increase workforce participation through the provision of meaningful employment.	7 H	The current structure of welfare payments and government funding makes this a difficult issue to manage.	ACCEPT	Monitor and develop strategies if possible. Ensure that meaningful and consistent activities, consistent with the CAP are available through the respective RJCP Programs. Work with strategic partners to develop a whole of government approach.	CEO/ DCORP/ DCOM	Community Development Program in community is being rolled out. High levels of positions remain vacant in community.	Monitor	7 H
B.04	Geographically isolated service delivery centres results in high costs of delivery of services due to	7 H	Bulk purchase of Works hardware (e.g. wheelie bins).	Could be improved – TREAT	Implement centralised purchasing system for standard items and contractor services	DCORP			7 H

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
	isolation and the small target service groups.		Sharing of major plant within regions.		across communities				
					Centralise plant and equipment management to improve efficiency of use.	DW&I	Regional equipment plans have been established and assets rationalized.	Monitor	5 M
					Continued discussion of “whole of Regional Council” responsibilities with the Council and in the communities.	CEO	Ongoing discussions as part of Council Professional Development	Monitor	5 M
P.07	Ongoing maintenance cost of grant funded capital investment. Major capital infrastructure is grant funded without due consideration of the ongoing operational costs.	7 H	Regional Council is under a lot of pressure to seek and accept capital grants. Very little opportunity to negotiate with government agencies to provide ongoing costs.	Not adequate – TREAT	Ensure whole of life costing is considered when accepting new assets. Continue to negotiate with government agencies for operating expenses. Implement AM for Rural and Remote Communities program.	All Directors	In real terms this is unlikely to change in the near future. Our current funding arrangements are not conducive to long term operating expenses. Where operational expenses are able to be negotiated (for example with GMAAAC) this is done.	Monitor	7 H
B.01	Poor quality plant and equipment inherited from community councils. Heavy financial burden on Regional Council to bring plant and equipment up to standard. Equipment becomes unserviceable at the end of its	6 H	Disposal of uneconomical and unserviceable equipment. Replacement of plant through special purpose grants rather than	We are unable to finance the replacement of plant and equipment at this stage –	Continue centralised monitoring of all plant and equipment under depot including purchasing and disposal. (routine maintenance is shared).	DW&I / DCORP	Plant replacement plan is being implemented resulting in improved asset condition. Fleet and Plant reserve account established to provide long term sustainability of plant. Internal leasing costs implemented to provide return to asset reserve account.	Annual review	5 M

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
	useful life. Repair and maintenance costs escalate. Value at time of replacement continues to decline.		through internal replacement.	TREAT	Implement routine R&M for all plant and vehicles.	DW&I	Improved fleet management processes are been implemented.	June 2016	5 M
B.09	Poor quality maintenance approach for all plant and equipment Frequency of loss of service following plant breakdown is increasing due to the age and service history of existing plant.	6 H	Local responsibility for checking and servicing of equipment and operator training.	Inconsistent across different communities – MONITOR	Continue to reinforce operational requirements with regards to plant and equipment servicing. Implement routine quarterly maintenance program to all SDCs using contract mechanics. Continue to provide operator training. Build Regional Council wide fleet to provide short term replacement items.	DW&I	Introduction of strong monitoring system to ensure compliance with maintenance requirements.	Monitor	5 M
F.08	Delays experienced payment of costs incurred on behalf of agencies Cash flow is compromised by delays in payment. Financial costs.	6 H	Service levels agreements specify payment terms, however, procedures cause difficulties.		CEO to continue to negotiate with Agencies to ensure prompt payment of invoices.	CEO / DCORP	Major issues with one agency is mostly resolved.		4 L
B.11	Staff transience in the NT Lack of longevity in stakeholder relationships (re-tell story all the time)	6 H	Records of conversations and MOUs	Could be improved - TREAT	Development of MOUs where appropriate and ensure “live” documents.	CEO	Record keeping improvement plan has been developed and is being implemented. InfoXpert system is being widely used.	Ongoing	5 M

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
B.15	Staff turnover - Loss of corporate knowledge. Additional training costs.	6 H	Record management system.	TREAT	Review approach and plan with aim to re-implement InfoXpert along with training on record keeping practices.	DCORP	Training on record keeping undertaken. Record keeping improvement plan has been developed and is being implemented. InfoXpert system is being widely used.	June 2017	6 H
B.17	Slow implementation of municipal service improvements, as per Matrix targets Community members disgruntled. NT Govt and agencies disgruntled	6 H	Scoring Matrix provides clear work priorities and status. Budget for capital works is low.	Inadequate	Continued Performance Management of CSMs. Create Regional Council-wide Works Upgrade Team to assist at SDCs. Additional funding for more Field Officers and for capital upgrade works.	DW&I	Matrix active and updated. Waste Management Coordinator and Landfill Upgrade Manager engaged to assist SDCs. Awaiting budget outcomes as to whether funds available for 2014/15 Works Upgrade Team.	Matrix updated 6-monthly	4 L
E.01	Natural disasters Flooding / Fire / Pest & plague leading to public health risks, loss of transport, loss of property, loss of life injury, delays in delivery of projects	6 H	NT emergency services are responsible for management of ES. CDRC provides assistance or equipment as directed. Regional Counter Disaster Plans are printed and available in all Council offices. CDRC responsible for disaster recovery. Each community has a Disaster Recovery	Could be improved - TREAT	Review Disaster Recovery Plans annually. Further training to community-based staff on disaster response and recovery management	DW&I	Ongoing	Monitor	4 L

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
			Plan.						
E.02	Natural disasters Fire risk	6 H	NT emergency services are responsible for managing response to major fires. Council maintains firebreaks and grass slashing around all communities. New fire trucks/trailers placed in all communities in 2012/13.	Satisfactory	1) Engage with fire brigade in local communities to develop site specific fire management plans. 2) Annual grading program continues (firebreaks) 3) Ongoing fire training for community staff.	DW&I	Previous CDEP Fire Program has rolled out fire equipment to all communities. Fire training has been completed in all communities & responsibility for ongoing training has been transferred to Council..	Monitor	5 M
E.03	Operational incidents involving chemicals Contamination of land through chemical spills (bulk fuel storage, pesticides)	6 H	No formal management.	Could be improved - TREAT	Development of appropriate procedures for hazardous chemicals and work statements.	DW	Develop in association with Safety & Training Coordinator.		5 M
F.02	Lack of strong financial controls potentially allows the same person to order, receipt and approve payment. Misappropriation of funds. Damage to reputation.	6 H	Financial system Budget review	Adequate – MONITOR	Audit approach to ensure compliance with purchasing guidelines.	DCORP	Current system is separated and audit of internal approvals to ensure procurement approach being followed is required.	Monitor	5 M
F.03	Limited discretionary funds	6	Continued	Adequate -	Continue with existing	ALL	Negotiations of current EBA must	Monitor	6

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
	resulting in a highly limited ability to respond to changes in wage demands or respond to staffing demands Low morale, poor workforce, staff turnover	H	negotiation with funding agencies to improve staff funding.	MONITOR	approach.		advise employees for financial position of Council		H
F.04	Poor financial management practices leading to significant budget over runs Financial viability of organisation. Compliance issues	6 H	Financial system Budget review	Could be improved - TREAT	1) Financial training 2) Stringent financial monitoring 2) Development of procedures and accuracy of costings. 3) Better quality reporting.	DCORP	Purchasing controls continue to be improved through monitoring and training. Instigated budget monitoring meetings with program managers.	Ongoing	6 H
P.01	Communities disengaged from Council decision making process Conflict and dissatisfaction with the Council	6 H	1) Involvement of Ward Councillors in Local Authority meetings 2) Identification of issues raised in Local Authority that are actioned by the Council in the Council minutes 3) Community Plan development and implementation to be monitored by Local Authorities.	Continued improvement required.	Improve engagement with Local Authorities Implemented delegations. Ensure LA project funding spent.	DCORP / DW&I	Ensure all community issues are logged locally. Actions from Las are actively monitored at each EMT and reported to Council. Establishing action plan per community to ensure action. Continue newsletter.		6 H
S.04	Cultural awareness/cross	6	Ongoing monitoring	MONITOR	Investigate methods of	EMT	Continue to monitor the outcome.		6

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Ref	Risk – What could happen	Initial Risk Rating	Existing Controls	Adequacy of Controls	Treatment	Resp Officer	Status	Date	New Risk Rating
	cultural working environment Staff burn-out	H	of performance and morale of staff in communities.		improving staff morale in community including: <ul style="list-style-type: none"> • Rotation of staff • Development of homogeneous procedures • Change recruitment practices • Communication of procedures to community 				H
S.08	Rejection of staff within communities by community members Inability of Regional Council staff to implement local initiatives – poor attendance of local staff	6 H	Regular performance monitoring.	Could continually be improved - TREAT	Improve recruitment of community based staff (including testing) Improve cross cultural training and ensure rDCorpresher courses conducted regularly. Communication of procedures to community. Identify risky stakeholder relationships and develop mutual Code of Conduct agreements.	EMT	Ongoing review of performance required.	Monitor	6 H
B.05	Geographically isolated service delivery centres Staff must be ‘multi talented’ and therefore do not develop specialist skills resulting in high reliance on external providers.	5 M	Minimal Recruit specific skill sets for community-based roles (e.g. strong practical skills for small community SSMs, strong admin	Could be improved – TREAT	Engage specialist internal teams for specific tasks Strategic review of HR advertising channels and key position criteria to attract candidates with broader skill sets	DW	Cert II & III in Rural Operations rolled out across communities. Development of Regional Works Manager positions ensures standards are monitored and enforced.	Annual review	4 L

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			skills for large communities)						
P.06	Land tenure – renegotiation of S19 leases The Council has lodged S19 leases in respect of Council occupied buildings on Aboriginal Land. CLC is currently negotiating with Traditional Owners over terms and conditions.	5 M	Negotiations & meetings are occurring to progress.	MONITOR		CEO	Leasing issues are being resolved.	Ongoing	4 L
P.10	Under performing Local Authorities Local input into decision making.	5 M	Ongoing governance training & support	TREAT	Continue with program of capacity and governance training.	DCORP	Continue to monitor and improve engagement with Local Authorities	Ongoing	5 M
B.07	Low morale within Regional Council Deterioration of morale could lead to low productivity, increased IR claims, under performance	4 Low	1) Newsletter promotion of positive stories 2) Individual attention to specific employees 3) HR policies to support employees 4) Employee Assistance Program 5) Positive leadership culture	MONITOR	Continue current approach and improve where possible.	ALL	Staff survey has been undertaken and also management survey highlighting over 80% of staff being satisfied or very satisfied.	Ongoing	4 Low
F.05	Cost of s19 leases for agencies to be paid for by	4 Low	NIL	CDRC has limited	CDRC have withdrawn leases for such	CEO		RESOLVED	4 Low

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	external agencies. A higher financial burden on council resulting in less services on communities			control of this process	properties.	DCORP			
P.11	Unresolved ownership issues resulting from transfer of assets from community councils. Unclear ownership of assets resulting in increased costs of undertaking projects and delays in delivery.	4 Low	Improved review of ownership as part of project management process.	MONITOR	Project management processes.	DW&I	Implement project management templates. Maintain land register	June 2016	4 Low
P.12	Lack of governance understanding in the Council Council has had difficulty maintaining a professional relationship with the CEO leading to conflicts with the CEO/organisation which reduces the Effectiveness of the organisation and impedes good decision making.	4 L	Council has formalised its relationship journey and has in place a regular CEO catch-up. Performance management is facilitated by external resource.	MONITOR	Continue with existing process and monitor.	CEO	Professional Development program has been developed for Councillors. Currently using the Governance Self Assessment tool to inform professional development program.	Review in August 2017	4 L

The numbering convention is:

B = business/operational risk

F= financial risk

P = political risk

E = environmental risk

S = social risk

Score: ≥ 8 is EXTREME

6 - 7 is HIGH

5 is MODERATE

≤ 4 is LOW

The following risk table has been sorted by Risk Rating resulting in those items with similar risks being grouped together.

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