



# Eyre Peninsula Local Government Association

## Integrated Risk Management Framework

5 September 2014 - Adopted

# CONTENTS

1. Introduction .....	3
2. Risk Management & the Local Government Association Mutual Liability Scheme ....	3
3. Objectives .....	4
4. Principles and Application .....	4
5. Framework Elements.....	5
5.1 <b>Governance &amp; Management Responsibilities</b> .....	5
5.2 <b>Risk Management Process</b> .....	6
5.2.1. <b>Establish the context</b> .....	7
5.2.2. <b>Identify the Risks</b> .....	7
5.2.3. <b>Analyse the Risks</b> .....	7
5.2.4. <b>Likelihood Rating</b> .....	8
5.2.5. <b>Consequence Rating</b> .....	8
5.2.6. <b>Overall Risk Rating Matrix</b> .....	9
5.2.7. <b>Manage Risks</b> .....	9
5.2.8. <b>Monitoring and Review</b> .....	9
5.2.9. <b>Communication and Consultation</b> .....	10
5.3 <b>Knowledge &amp; Skills Development</b> .....	10
5.4 <b>Insurance Matters</b> .....	10
Appendix 1 Risk Management Policy .....	11
Appendix 2: Risk Category Matrix .....	13
Appendix 3: Criteria for Risk Consequence Rating .....	15

## Document Control

Status:	Version 1
Drafted by:	Tony Irvine
Original Draft Date:	5 Sept 2014
Date Adopted by the EPLGA:	5 Sept 2014
Recommended Review Date:	Sept 2016
Review Dates:	

## **1. Introduction**

The Eyre Peninsula Local Government Association (EPLGA) is establishing a Framework for Corporate Governance that provides the EPLGA with the structure and processes that ensure it operates effectively and efficiently in fulfilling its responsibilities as defined in the *Local Government Act 1999*

Risk Management is an important foundation of good corporate governance and control, and applies to the whole of the organisation and its activities. The aim of the EPLGA's approach is to ensure risk management is integrated with strategic and business planning processes and reporting, and not a separate business process. The linking of risk management with normal business practices ensures it becomes part of the way people plan and manage, and assists in reducing the need for additional resources and costs.

The EPLGA's Risk Management Policy and Framework will be key elements of the Risk Management function within the EPLGA's overall Framework for Corporate Governance. The Risk Management Policy (a companion document to this one) provides a context and helps establish an organisational culture that supports the integration of risk management processes into the EPLGA's activities.

## **2. Risk Management and the Local Government Association Mutual Liability Scheme (LGAMLS)**

### **BENEFITS OF LGAMLS MEMBERSHIP**

The establishment of the LGAMLS in 1989 provided Local Government in South Australia with an effective and efficient means of managing public liability and professional indemnity (civil liability) claims. The LGAMLS has secured viable civil liability cover for all South Australian Local Government entities. Through the LGAMLS, local government entities in South Australia have been afforded unlimited civil liability cover, access to experienced civil liability claims management, risk management and legal advice and protection from a sometimes volatile commercial insurance industry.

The LGAMLS' influence on the management of civil liability is reliant to the provision of various products and services to advise Local Government. The management of civil liability in Local Government can only be achieved by the application of risk management within each Local Government entity. In accordance with LGAMLS Rules, Members are required to cooperate in the Risk Management Review. Membership may be terminated by LGA in the event that a Member fails to allow a risk management audit to be undertaken (LGAMLS **Rule 18.5.2**)

### **RISK MANAGEMENT REVIEW SCOPE**

The Risk Management Review covers most areas of EPLGA's operations and specifically areas that have a level of civil liability exposure according to LGAMLS experience, or areas that require a formal risk management approach to prevent potential civil liability claims. As the main pieces of legislation that are administrated by Local Government, focus is given to compliance with legislation such as the Local Government Act 1999 and the Development Act 1993. It should be noted that the Review process is dynamic, and questions/scoring are reviewed and updated each year. Accordingly, the EPLGA may not be able to accurately compare its performance in the Review on a year by year basis.

## RISK MANAGEMENT REVIEW OBJECTIVES

The Objectives of the Risk Management Review continue to:

- Understand the level of liability management being practised
- Identify failures in the communication of LGAMLS risk management requirements
- Identify areas requiring further risk management application
- Analyse the risk management benchmarks being achieved
- Focus on deficiencies via an Action Plan

## METHODOLOGY

The Risk Management Review questions are divided into the following Categories and Sections:

### • RISK MANAGEMENT

- Risk Management Frameworks
- Business Continuity & Emergency Management
- Committee/Non employment Management & Grants
- Contract Management Systems

## 3. Objectives

The EPLGA's objectives for Risk Management include alignment with good governance and management practice and ensuring legislative and legal compliance, and can be summarised as follows:

- Assist the efficient and effective management of the organisation's fiscal, environmental and social responsibilities and achievement of corporate outcomes and outputs
- Fulfil corporate governance stewardship responsibilities of protecting resources from loss or misuse and ensuring the safety of officers and Board Members
- Compliance with the *Local Government Association Mutual Liability Scheme rules & audit findings*
- Compliance with the EPLGA's risk management responsibilities specified in the *Local Government Act 1999*.
- To provide due diligence defence i.e. being able to demonstrate that all reasonable efforts have been made using a systematic, consistent approach to identify, monitor, rate and treat risks.

## 4. Principles and Application

This EPLG's Risk Management Framework and Policy are based on the principles and processes outlined in the following Risk Management Standards:

- Risk Management; Standards Australia, AS/NZS ISO 31000:2009
- Governance, Risk Management and Control Assurance; Standards Australia, HB 254: 2005

Section 5.2 below outlines the Risk Management Standard's process which includes identification, assessment and control of risk.

The EPLGA will further develop its approach to risk management and seek to continually improve its policies and procedures.

The Risk Management Framework and Policy apply to the management of risk. The table below summarises the key risk management documentation and linked processes and outputs at the EPLGA's governance and operational levels.

**Table 1: Risk Management Framework Key Documentation and Linkages**

Level	Risk Management	Linked Processes	Linked Outputs
<b>Governance (Strategic Risks):</b>	<ul style="list-style-type: none"> <li>• Risk Management Policy</li> <li>• Risk Management Framework</li> </ul>	<ul style="list-style-type: none"> <li>► <i>Policy Development</i></li> <li>► <i>Strategic Planning</i></li> <li>► <i>Monitoring and Review</i></li> <li>► <i>Auditing – internal &amp; external</i></li> <li>► <i>Financial Reporting</i></li> </ul>	<ul style="list-style-type: none"> <li>• Management Plan</li> <li>• Annual Reports</li> <li>• Officer Reports</li> <li>• Audit Reports</li> </ul>
<b>Operations (including Project Risk):</b>	<ul style="list-style-type: none"> <li>• Risk Management Process           <ul style="list-style-type: none"> <li>- AS/NZ 31000:2009</li> </ul> </li> <li>• Contracts, Tenders &amp; Purchasing Policy</li> </ul>	<ul style="list-style-type: none"> <li>► <i>Business Planning</i></li> <li>► <i>Project Planning</i></li> <li>► <i>Project Management</i></li> <li>► <i>Monitoring and Review</i></li> <li>► <i>Procurement</i></li> </ul>	<ul style="list-style-type: none"> <li>• Business/ Work Plans</li> <li>• Project Plans</li> <li>• Officer Reports</li> <li>• Acquisition           <ul style="list-style-type: none"> <li>- Risk &amp; Value Analysis</li> </ul> </li> </ul>

## 5. Framework Elements

The EPLGA's Risk Management Framework comprises the following elements:

1. Governance & Management Responsibilities
2. Risk Management Process
3. Knowledge & Skills Development
4. Insurance Matters

### 5.1 Governance & Management Responsibilities

#### The EPLGA

The EPLGA has governance driven role and responsibility in relation to risk management. This involves overseeing the further development and implementation of the Risk Management Policy and Framework for the EPLGA and on-going monitoring, review and auditing of performance.

#### Executive Committee

The Executive Committee will overview the risk management practices within the organisation on a regular basis and report to the EPLGA Board as appropriate on issues arising from these reviews.

#### Executive Officer

The Executive Officer's key responsibilities are to:

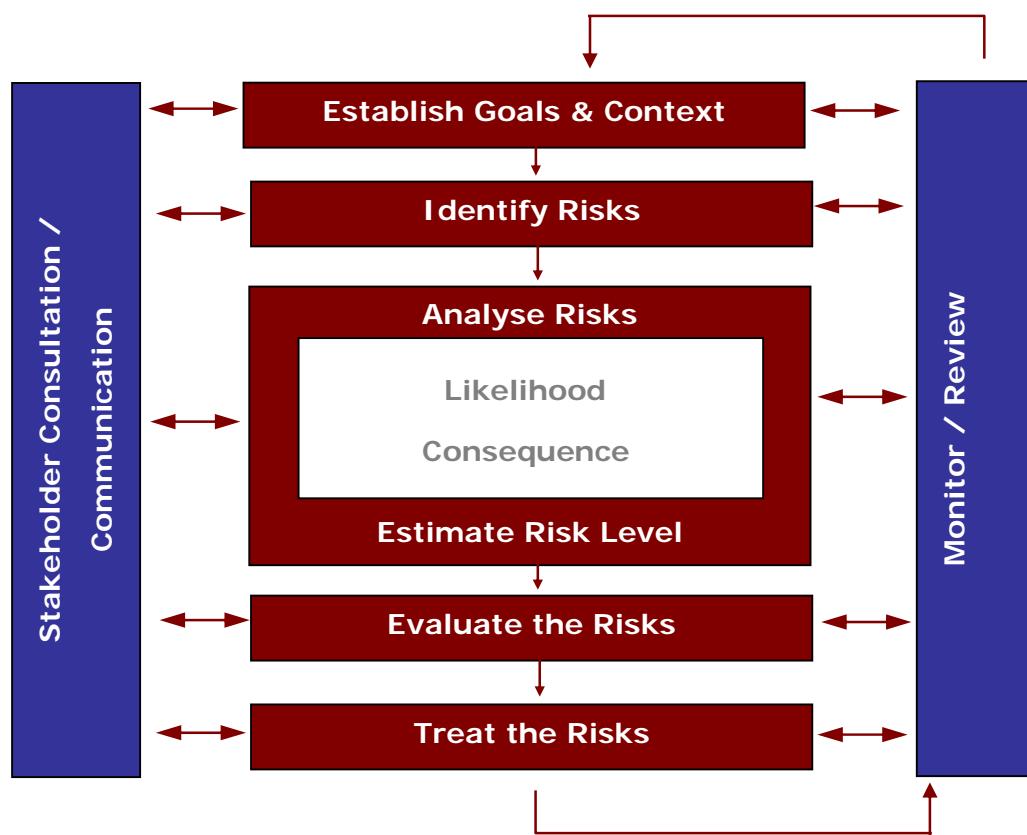
- Establish and maintain a climate of risk awareness and intelligence;
- Develop and maintain governance mechanisms that effectively monitor risks and their management;

- Set requirements for risk management based on AS/NZS 31000:2009 and ensure that they are consistent with the EPLGA's obligations, business, ethical and professional standards.
- Ensure that the LGAMLS are notified of any perceived change in risk profile/exposure as soon as possible.

## 5.2 Risk Management Process

The Australia/New Zealand Standard for Risk Management, AS/NZS 31000:2009 provides a 'ready-made' framework that enables a consistent and comprehensive approach to risk management across the organisation, refer figure 1 below.

**Figure 1:** Risk Management Process Overview



Source: Australia/New Zealand Standard, Risk Management, AS/NZS 31000:2009

The risk management process outlined in the Standard requires the following procedures be undertaken:

1. Establishing the context (i.e. the risk environment);
2. Identifying risks;
3. Analysing the identified risks;
4. Assessing or evaluating the risks;
5. Treating or managing the risks; and
6. Monitoring and reviewing the risks and the risk environment regularly.

### **5.2.1. Establish the context**

This relates to the scope for the rest of the Risk Management process by defining the basic parameters within which the risks must be managed.

- **Strategic Context** - Identify all stakeholders both internally and externally
- **Organisational Context** - determine the EPLGA's goals and objectives and strategies
- **Risk Management context** - The scope and parameters of the business are identified
- **Risk evaluation criteria** - Determine the criteria which the risks are to be evaluated against
- **Structure** - The individual projects activities are identified to ensure that risks are not overlooked

### **5.2.2. Identify the Risks**

One of the primary objectives of risk management is to identify and mitigate potential risks at their source.

Hence, risks within the EPLGA preferably need to be identified at the strategic and project level.

The aim of risk identification is to generate a comprehensive list of risks that might affect the achievement of corporate objectives. The list should be updated as necessary and at least every 12 months, taking into account any relevant changes to the EPLGA's business or operating environment. All risks should be considered, whether or not they are under the EPLGA's ambit of control, or whether they are internally generated or exogenous to the EPLGA.

The process for identifying risks should consider all aspects associated with the issue including the source of the risk; what might happen; the impact on objectives; when, where, why and how the risk might arise; and who might be involved. Consideration of these issues will help to ensure the significant root causes of the risks are managed rather than the symptoms. It will also help to identify the controls that are needed and are effective, and to analyse the significance of the risk.

Likely sources of risk may be;

- Financial Management - funding sources or fraud/manipulation/poor reporting
- Information Technology - loss or corruption of data
- Legal - release of confidential information
- Environmental - Poor technical advice
- Commercial and Strategic - inadequately researched plans and policies not linked to strategies
- Political - Policy change/change of government

#### ***Documentation should cover***

- A register of the risks and identify sources and consequences (use Risk Action Program)
- Risks should be classified under appropriate groups
- Control processes should be identified to reduce the risk

*Refer Appendix 2 which provides a list of relevant risk categories*

### **5.2.3. Analyse the Risks**

The objectives of risk analysis are to separate the acceptable risks from the major risks and to provide data to assist in the evaluation and treatment of each risk.

- Existing systems and procedures to control risk are identified and an assessment made of their strengths and weaknesses
- The likelihood of a risk occurring and the consequence if the risk did in fact occur are combined to produce an accurate assessment of the level of risk.

**Documentation should cover**

- Information regarding existing controls likelihood of occurrence, severity of consequences and the resulting level of risk.

#### 5.2.4. Likelihood Rating

Analysing risks requires an assessment of their frequency of occurrence. The following table provides broad descriptions used to support likelihood ratings.

RATING		LIKELIHOOD OF OCCURRENCE
Almost Certain	5	The event <b><i>will occur</i></b>
Likely	4	The event is <b><i>likely to occur</i></b>
Possible	3	The event <b><i>may occur</i></b>
Unlikely	2	The event is <b><i>unlikely to occur</i></b>
Rare	1	The event will <b><i>only occur in exceptional</i></b> circumstances

The likelihood of a risk event occurring is to be measured over the life of the project or program, which may extend over a number of strategic or business planning periods.

#### 5.2.5. Consequence Rating

The consequence of a risk event is rated according to the following scale:

RATING	
Catastrophic	5
Major	4
Moderate	3
Minor	2
Insignificant	1

Criteria for deciding which category a risk should be are shown in the 'Overall Risk Rating Matrix' (shown below). The rating scales are designed to achieve consistent reporting at the whole-of-EPLGA level. The scale needs to be adjusted where risk assessments cover only a project. What is catastrophic for a project may have only moderate impact on the whole EPLGA.

When assessing consequence, each risk should be considered in relation to its cumulative effect in the period under review. If the cumulative effect increases the magnitude of the consequence then the highest identified impact rating should be used.

The consequence rating that represents the highest impact on the EPLGA should be selected (i.e. if a risk is both a moderate financial risk and a major reputation risk, rate the risk as 'major').

The final risk score for each risk is calculated as the product of the likelihood and consequence scores producing ratings as outlined below:

### 5.2.6. Overall Risk Rating Matrix

Consequence \ Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	E	1 Moderate	2 High	3 High	4 Extreme	5 Extreme
Likely	D	Low	Moderate	High	Extreme	Extreme
Possible	C	Low	Low	Moderate	High	Extreme
Unlikely	B	Low	Low	Low	Moderate	High
Rare	A	Low	Low	Low	Moderate	High

### 5.2.7. Manage Risks

The effectiveness of policies and procedures that are in place to control risks, are assessed to identify any 'gaps' that require further action to manage risks. This gap analysis should begin with the 'Extreme' risks, then the 'High' and 'Moderate' risks. Treatment plans to manage the risk at an acceptable level should identify the proposed actions, resource requirements, responsibilities, target dates, performance measures and reporting requirements. Treatment plans should be integrated with the management reporting and budgetary processes of the EPLGA.

*Refer Appendix 3 for the Criteria for Risk Consequence Rating*

### 5.2.8. Monitoring and Review

The requirement to monitor and review risk is an important aspect of maintaining an effective risk control environment. While a risk rating may be relevant when first evaluated, continuous and sometimes subtle changes in business practices, technology and legislation for example, can affect an original assessment.

In other words, ongoing review is essential to ensure that any risk management plan remains relevant. The basis of the risk and its causes and impacts need to be reviewed as these factors may change. As a result, the significance of the risk and the effectiveness of the controls may also change. Similarly the factors affecting the suitability or cost of the treatment options may also change. It is therefore necessary to repeat the risk management cycle regularly.

### **5.2.9. Communication and Consultation**

Communication during each step of the risk management process is necessary to ensure an understanding of risk management decisions and in developing effective treatments for the management of risk.

The communication of risk management concepts should also consider contractors and service providers.

## **5.3 Knowledge & Skills Development**

The knowledge and skill development component of the EPLGA's Risk Management Framework is aimed at increasing the understanding and skills of EPLGA Executive Officer & Board Members in terms of their risk management accountabilities and responsibilities.

A number of initiatives are included in the framework. As the approach to risk management matures other learning related activities will be provided.

The objectives of the initial learning strategy are:

1. Increased awareness of risk management for all EPLGA Board Members and the Executive Officer with their roles and responsibilities. As the implementation of the Risk Management Framework evolves, awareness rising will be provided through induction activities and meetings.
2. Consistent application of the Risk Management Framework across the organisation.
3. Leadership and commitment through the application of risk management.

## **5.4 Insurance Matters**

Insurance cover does not take the place of risk management and will not cover all risks of the EPLGA. Insurance is only one method of treatment of identified risks. Nevertheless, it is an extremely important part of the EPLGA's risk management strategy. As part of local government the EPLGA is provided insurance cover by the Local Government Association's business enterprises (e.g. Local Government Risk Services, Local Government Workers Compensation Scheme & Local Government Mutual Liability Scheme).

# **Appendix 1: EPLGA's Risk Management Policy**

---

## ***Preamble***

The Eyre Peninsula Local Government Association recognises that management has a responsibility to identify and address all threats and opportunities associated with:

- The provision of a safe and healthy operating environment for all employees and other stakeholders involved with the provision and use of EPLGA services.
- The prudent management of EPLGA property and resources on behalf of the constituent Councils.

The Executive Officer undertakes to co-operate and consult with the Board and external stakeholders, to ensure that the risks associated with all EPLGA services and facilities are formally identified, assessed and managed in accordance with the principles outlined in Australian Standard **AS/NZS ISO 31000:2009 Risk Management**.

The Eyre Peninsula Local Government Association staff members also have a duty of care. They are all accountable for the care of our own health and safety and that of others affected by our actions whilst engaged on EPLGA business. They are also accountable for the proper and prudent management of property and assets in their control, in order to minimise loss, theft and damage. This includes, but is not restricted to observing "best practice" WHS and wider Risk Management procedures put in place by the EPLGA. Contractors, committees and volunteers engaged in the provision of EPLGA services, or the management of EPLGA are also required to comply with this policy.

## ***Policy Statement***

The Eyre Peninsula Local Government Association Board is committed to the identification and management of all risks associated with the performance of EPLGA functions and the delivery of EPLGA services.

## ***Policy Objective***

The objective of the Eyre Peninsula Local Government Association's Risk Management Policy is to ensure that sound Risk Management practices and procedures are fully integrated into the EPLGA's strategic and operational planning processes. Together, these documents & processes will ensure that:

- All EPLGA activities are clearly linked to and support one or more of the Strategic Objectives outlined in the Eyre Peninsula Local Government Association Strategic Management Plan.

## **Risk Management.**

- The equipment and facilities used for the provision of EPLGA services are fit for their intended purpose.
- Safe and secure systems of work are implemented and maintained.
- Adequate information, training and supervision are provided to all staff, contractors, committees and volunteers.
- The EPLGA's services are provided in compliance with all relevant Acts, Regulations, Codes and Standards.
- All incidents and hazards are reported and investigated.
- Remedial actions identified as a result of incident investigations are adopted and communicated to prevent recurrence.

- All EPLGA Board, staff members, committees, contactors, business partners, volunteers and the public co-operate to create a safe environment and preserve our assets for the future.

***Policy Review***

EPLGA's Executive Officer is to review this Policy and its accompanying Strategy bi-annually. Suggested revisions are to be submitted to the EPLGA Board for approval.

## Appendix 2: Risk Category Matrix

---

To assist in the identification and analysis of risks and to ensure significant risks are not overlooked risks are split into categories. The risk categories can also prove useful for measuring and reporting where risk lies within the agency.

### Risk Category Matrix

Risk / Issues Category	Example Risks / Issues		
Strategic	<ul style="list-style-type: none"><li>• Planning &amp; budgeting</li><li>• Strategy Development</li></ul>	<ul style="list-style-type: none"><li>• Change Management</li><li>• Industry Trends</li></ul>	<ul style="list-style-type: none"><li>• Business Performance Management</li><li>• Target Setting</li></ul>
Political	<ul style="list-style-type: none"><li>• Political Environment</li></ul>	<ul style="list-style-type: none"><li>• Legislative Change</li></ul>	<ul style="list-style-type: none"><li>• Regulatory / Legal Changes</li></ul>
Stakeholders Relations	<ul style="list-style-type: none"><li>• Employees / Contractors</li><li>• Suppliers</li><li>• Government Departments</li></ul>	<ul style="list-style-type: none"><li>• LGA of SA</li><li>• Other LGA's</li><li>• Customers</li></ul>	<ul style="list-style-type: none"><li>• Minister</li><li>• Community</li><li>• Service Providers</li></ul>
Asset / Facility Management	<ul style="list-style-type: none"><li>• Equipment Breakdown &amp; Contingency Plans</li></ul>	<ul style="list-style-type: none"><li>• Contract management</li></ul>	
Program / Project Management	<ul style="list-style-type: none"><li>• Project Management</li><li>• Milestone Monitoring</li><li>• Budgeting &amp; Carryovers</li></ul>	<ul style="list-style-type: none"><li>• Delivery of Funding Outcomes</li><li>• EPLGA Approvals</li><li>• Compliance with Conditions of Approval</li></ul>	<ul style="list-style-type: none"><li>• Management Reporting</li></ul>
Operations/ Business Development	<ul style="list-style-type: none"><li>• Contract Management</li></ul>	<ul style="list-style-type: none"><li>• Policy Development</li><li>• Quality Assurance</li><li>• Research and Development</li></ul>	<ul style="list-style-type: none"><li>• Account Management</li><li>• Continuity Management</li></ul>
Financial	<ul style="list-style-type: none"><li>• Budgeting &amp; Funding</li><li>• Financial Internal &amp; Operating Controls</li><li>• Management and Financial Reporting</li></ul>	<ul style="list-style-type: none"><li>• Cash flow, &amp; Investment</li><li>• Insurance</li><li>• Fraud</li></ul>	<ul style="list-style-type: none"><li>• Revenue Raising &amp; Collection</li><li>• Management of Corporate Service Provider (Auditor, Accountants etc.)</li></ul>
Purchasing / Procurement	<ul style="list-style-type: none"><li>• Acquisition Planning</li><li>• Regulation Compliance</li><li>• Probity</li></ul>	<ul style="list-style-type: none"><li>• Market/supplier relationships</li><li>• Claims &amp; Disputes</li><li>• Reliable Goods &amp; Services</li></ul>	<ul style="list-style-type: none"><li>• Cost Effective Purchasing</li><li>• Contractual Arrangements</li></ul>
Information Technology	<ul style="list-style-type: none"><li>• Data and Systems Integrity</li><li>• Data Management &amp; Storage</li><li>• Data Security</li><li>• Contingency Planning</li><li>• Data Backup &amp; Retrieval</li></ul>	<ul style="list-style-type: none"><li>• e - Commerce</li><li>• Systems Availability</li><li>• IT Maintenance and Support</li><li>• Corruption &amp; Viruses</li><li>• Training &amp; IT Skills</li></ul>	<ul style="list-style-type: none"><li>• Systems Development</li><li>• Systems Integration</li><li>• Management of IT Service Provider</li><li>• Licences &amp; Copyrights</li><li>• Internet &amp; Intranet Management</li></ul>
Environmental Management	<ul style="list-style-type: none"><li>• Not applicable</li></ul>		

<b>Risk / Issues Category</b>	<b>Example Risks / Issues</b>		
Natural Events	<ul style="list-style-type: none"> <li>• Urban Flooding</li> <li>• Drought</li> <li>• Bushfire</li> </ul>	<ul style="list-style-type: none"> <li>• Earthquake</li> <li>• Storm Damage</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Changes</li> <li>• Water Contamination</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>• Loss of Knowledge to EPLGA</li> <li>• Leadership / Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment and Retention</li> <li>• Succession Planning</li> <li>• Morale &amp; Life Style Balance</li> </ul>	<ul style="list-style-type: none"> <li>• Performance Measurement</li> <li>• Adequate Skills and Resources</li> </ul>
Occupational Health and Safety	<ul style="list-style-type: none"> <li>• EPLGA Wide Responsibilities</li> <li>• Accidents / Injuries</li> <li>• Management of Contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Harassment &amp; Discrimination</li> <li>• Hazardous Working Conditions</li> <li>• Communication &amp; Actioning of Issues Identified</li> </ul>	<ul style="list-style-type: none"> <li>• Working from Home</li> <li>• Workers Compensation</li> </ul>

## Appendix 3: Criteria for Risk Consequence Rating

---

		AREA OF IMPACT					
RATING		Financial	Customer Service / Business Continuity	Regulatory / Legal	Reputation & Image	Human Resources	Community
Catastrophic	5	<ul style="list-style-type: none"> <li>Financial loss in excess of \$0.25 million</li> </ul>	<ul style="list-style-type: none"> <li>Loss of service capacity for more than 3 months</li> </ul>	<ul style="list-style-type: none"> <li>Significant legal, regulatory or internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>Forced resignation of EPLGA President</li> </ul>	<ul style="list-style-type: none"> <li>Unexpected / unplanned loss of Executive Officer</li> <li>Death of a staff member</li> </ul>	<ul style="list-style-type: none"> <li>Loss of multiple life through natural disaster or epidemic e.g. bushfire/ disease</li> </ul>
Major	4	<ul style="list-style-type: none"> <li>Financial loss between \$100,000 and \$0.25 million</li> </ul>	<ul style="list-style-type: none"> <li>Loss of service capacity between 4 weeks and 3 months</li> </ul>	<ul style="list-style-type: none"> <li>Major legal, regulatory or internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>Loss of support for EPLGA / Minister</li> <li>Campaign of adverse media coverage</li> </ul>	<ul style="list-style-type: none"> <li>Serious injury-lost time of more than 2 weeks</li> </ul>	<ul style="list-style-type: none"> <li>Individual loss of life through accident</li> <li>Loss of major community infrastructure through disaster</li> </ul>
Moderate	3	<ul style="list-style-type: none"> <li>Financial loss between \$50,000 and \$100,000</li> </ul>	<ul style="list-style-type: none"> <li>Loss of service capacity between 2 weeks and 4 weeks</li> </ul>	<ul style="list-style-type: none"> <li>Limited legal, regulatory or internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>Results in adverse media coverage</li> </ul>	<ul style="list-style-type: none"> <li>Lost time injury &lt; 2 wks</li> </ul>	<ul style="list-style-type: none"> <li>Multiple injuries through accidents/disaster - hospitalisation</li> <li>Loss of minor infrastructure due to disaster</li> </ul>
Minor	2	<ul style="list-style-type: none"> <li>Financial loss between \$20,000 and \$50,000</li> </ul>	<ul style="list-style-type: none"> <li>Loss of service capacity between 1 week and 2 weeks</li> </ul>	<ul style="list-style-type: none"> <li>Minor legal, regulatory or internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>Adverse customer / stakeholders comments or complaints</li> </ul>	<ul style="list-style-type: none"> <li>Minor injury - First aid required</li> </ul>	<ul style="list-style-type: none"> <li>Failure of several small infrastructure items</li> <li>Minor injury or illness – inconvenient loss of service resulting</li> </ul>
Insignificant	1	<ul style="list-style-type: none"> <li>Financial loss up to \$20,000</li> </ul>	<ul style="list-style-type: none"> <li>Loss of service capacity for up to 1 week</li> </ul>	<ul style="list-style-type: none"> <li>Insignificant legal, regulatory or internal policy failure</li> </ul>	<ul style="list-style-type: none"> <li>Frequent customer / stakeholder enquiries</li> </ul>	<ul style="list-style-type: none"> <li>Nil injuries</li> </ul>	<ul style="list-style-type: none"> <li>Loss of individual small infrastructure item</li> <li>Near Miss incident.</li> </ul>

**Note 1:** When assessing consequence each risk should be considered in relation to its likely cumulative effect over a period of time. If the cumulative effect increases the magnitude of the consequence then the highest identified impact rating should be used.

**Note 2:** When selecting the desired consequence rating under the “non-financial” and “financial” consequence areas, it is important to keep a balanced perspective of the ultimate impact of the risk to the EPLGA. The consequence rating that represents the highest impact on the EPLGA should be selected, i.e. if a risk is both a moderate financial risk and a major reputation risk, rate the risk as ‘major’.