



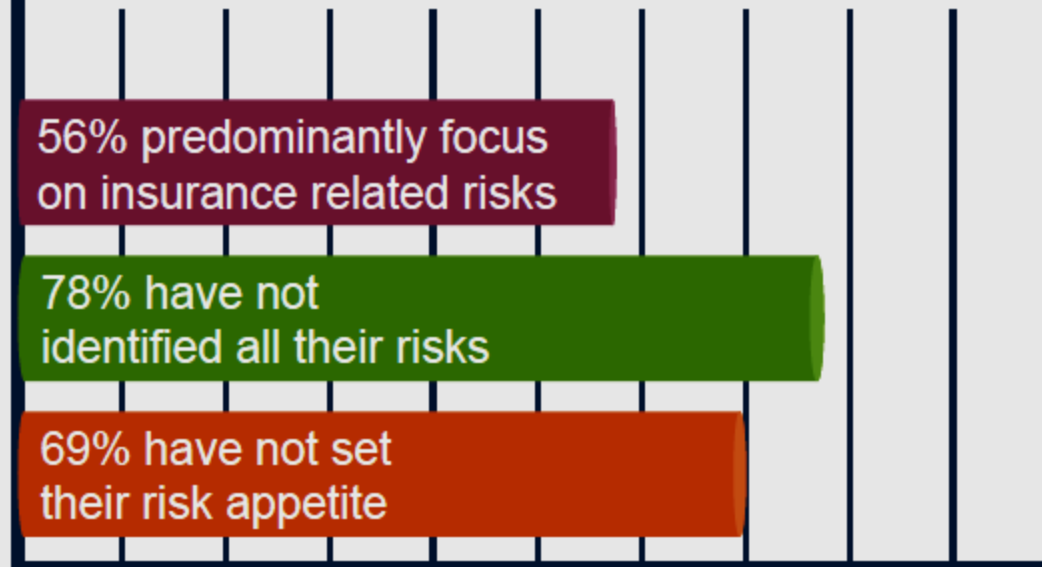
State of Risk Management
in NSW Local Govt & Beyond
Mitchell Morley, InConsult

Council Wide Risk Management Surveys

- First Survey in 2006
 - 32 councils participated (21%)
 - First survey of its kind
 - Councils thinking about RM but mostly focussed on insurable risks – OHS, PL/PI
- Second Survey in 2007
 - 33 councils (21%) + Discussion Group
 - Some progress but not much
- 2014 Survey
 - 87 councils (57%)

Flashback to 2006

Exhibit 1: Scope and context of risk management



Major Risks in 2006

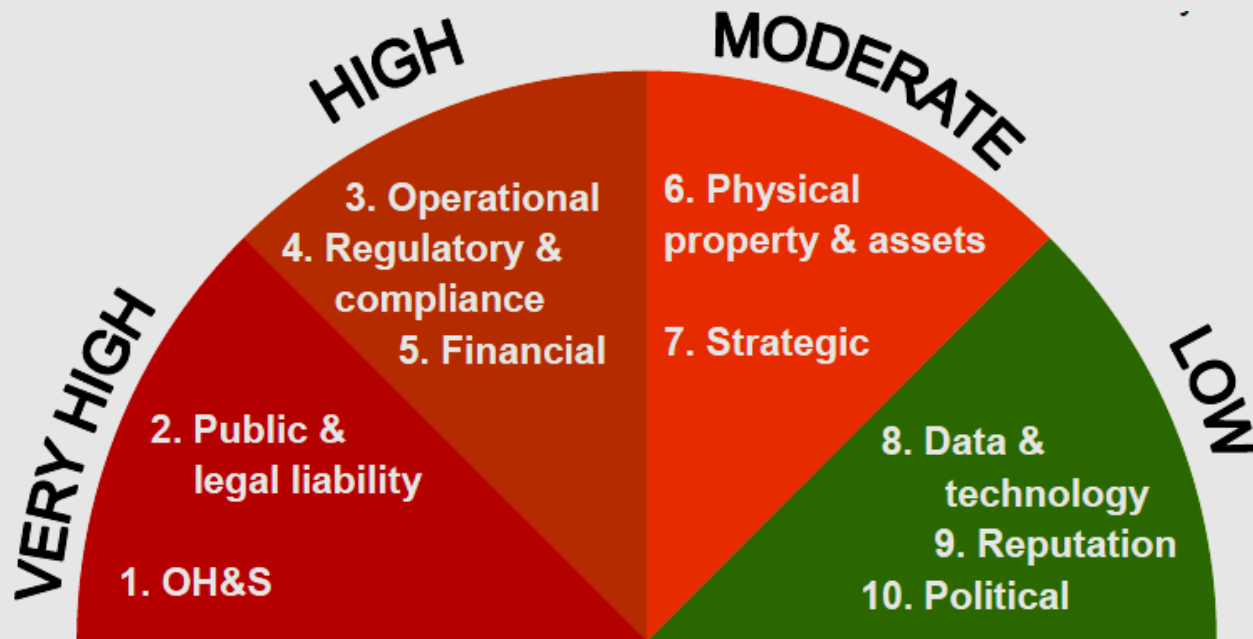
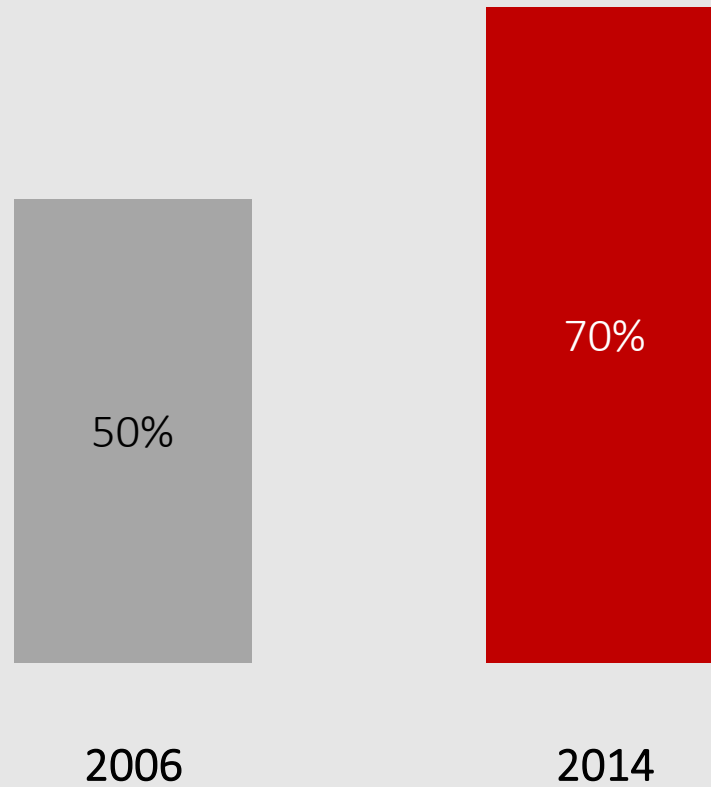
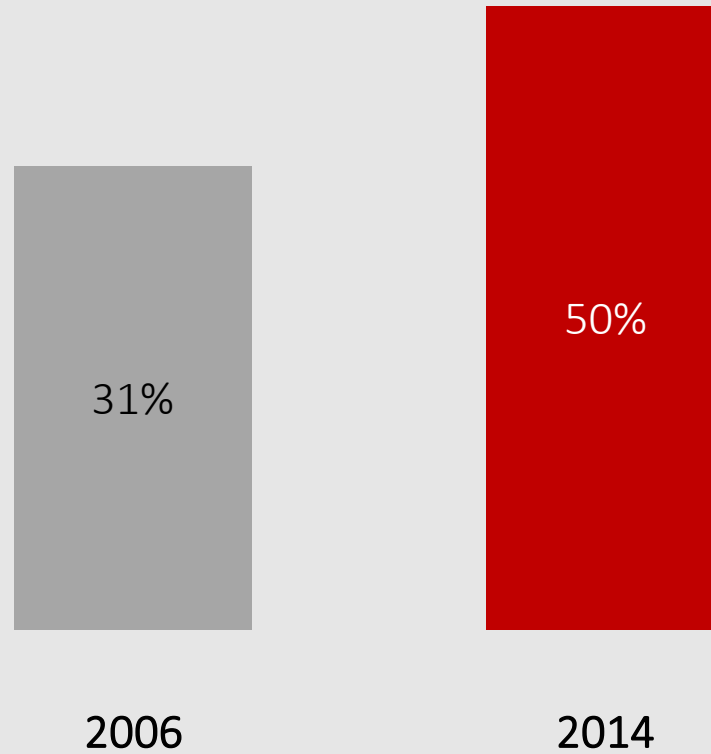


Exhibit 2: Ranking the common risk areas

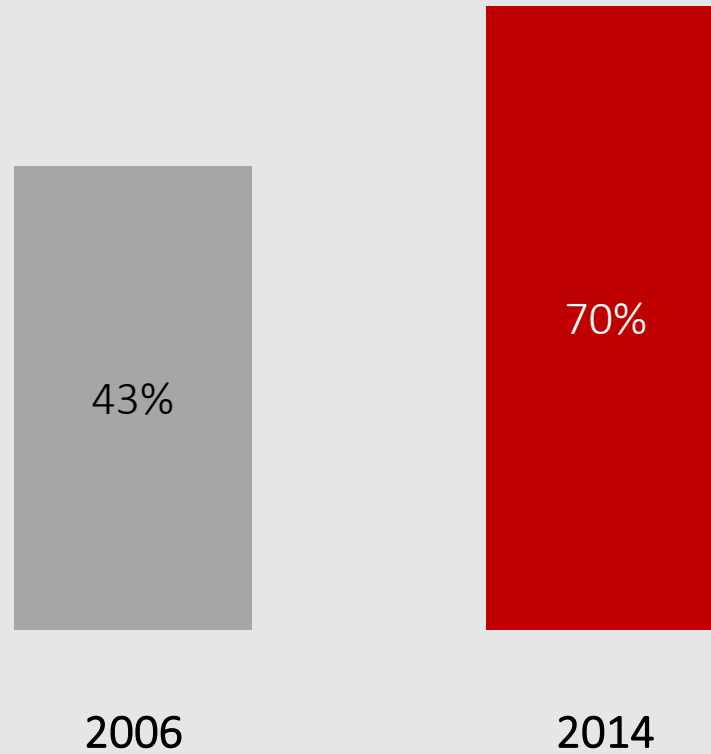
Councils With Risk Management Plans/ Strategies



Documenting Risk Appetite



Formal Risk Registers



How Well Are Risks Being Managed



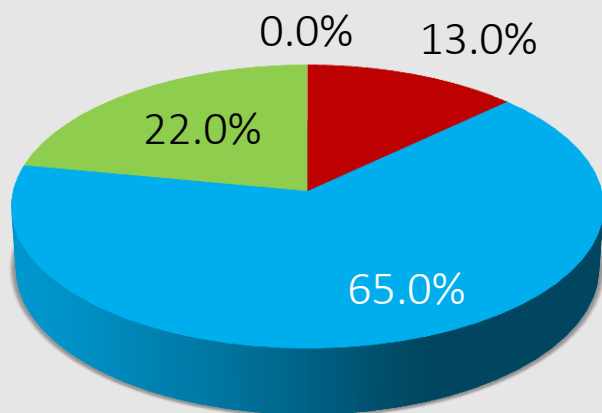
Five Biggest Risks

Ranked No.1 Most Often

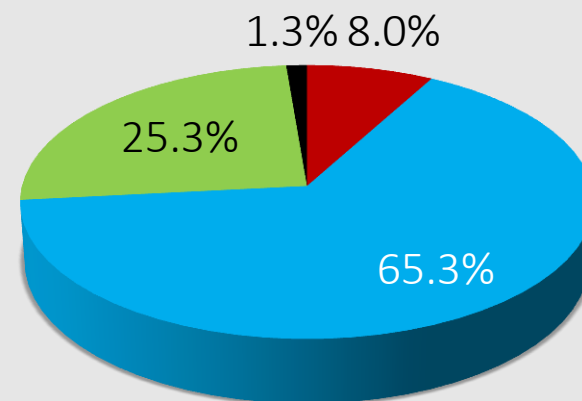
- Financial sustainability (16)
- Local government reform/ amalgamations (13)
- Ageing infrastructure (9)
- Loss of staff/corporate knowledge (5)
- Political (4)

Risk Management Maturity

2006

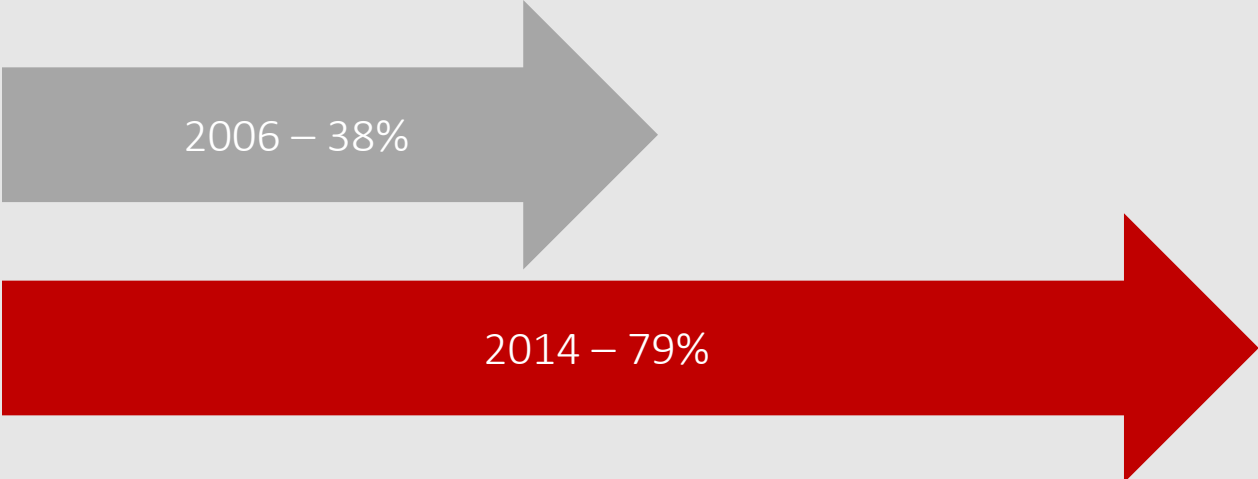


2014

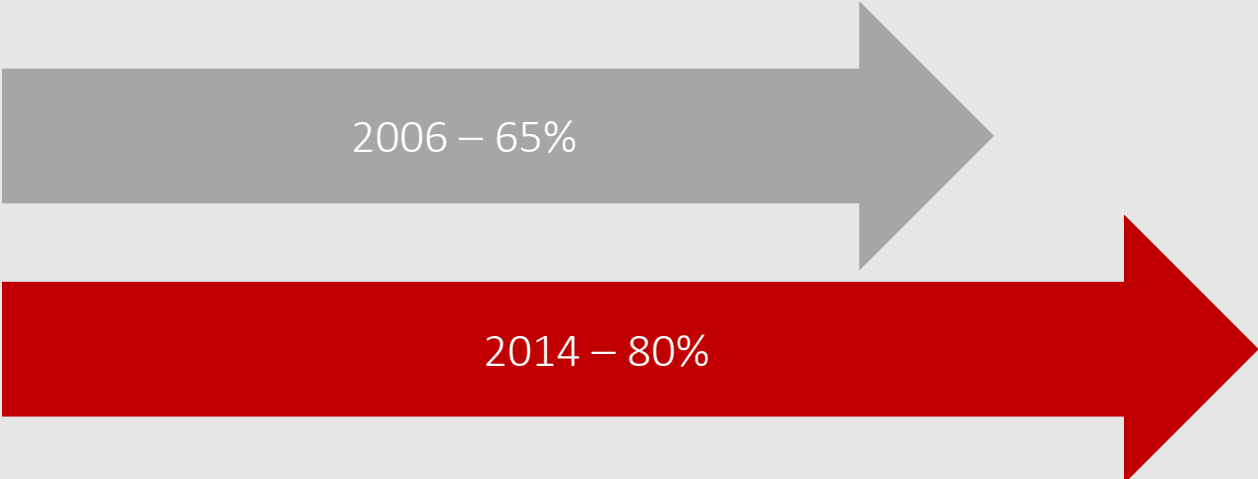


- Basic
- Developing
- Proficient
- Advanced

Audit Committees



Audit Functions



Business Continuity Management

- 80% have BCP for Admin Centre
- 28% have not reviewed BCP within last 2 years
- 37% have never tested Plan
- Of those who have tested - 35% > 12 months ago

Conclusions

Some improvements

- More likely to have RM Policy and Plan
- More likely to have documented risks
- More regular review of risks
- WHS, Environmental, Reputational and Insurable Risks well managed

Conclusions

- Some issues
 - Still 65% at the “Developing” stage
 - Risks and risk appetite not well documented
 - Business disruption risks not well managed
- Challenges moving forward
 - Resourcing – time and capability
 - What does a good RM framework look like – legislation??

Around The ~~Grounds~~ Industries

- General insurance
- Commercial
- Federal government
- Local government

Questions ?