

Strategic Risk Register

Friday, 14 June 2024
Audit and Risk Committee

Strategic Alignment - Our Corporation

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Public

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EXECUTIVE SUMMARY

The purpose of this report is to present the City of Adelaide's revised draft Strategic Risk Register.

Sound risk and opportunity management enables well-informed decision-making and supports the delivery of City of Adelaide's Strategic Plan. It is an essential part of good governance that City of Adelaide's enterprise approach to risk management is embedded in the organisation's culture. The Strategic Risk and Internal Audit Group and Executive Team integrate risk management into all organisational activities by:

- developing and implementing the Risk Management Operating Guideline, and supporting tools and processes
- allocating appropriate resources for risk management
- supporting and encouraging risk escalation
- assigning roles, responsibilities and accountabilities with respect to risk management and communicating these at all levels of the organisation.

Following the approval of the City of Adelaide Strategic Plan 2024-2028, the Strategic Risk and Internal Audit Group reviewed the City of Adelaide's draft Strategic Risk Register. The revised draft Strategic Risk Register is now provided to the Audit and Risk Committee for noting and seeks feedback from the Committee on the draft Strategic Risk Register.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report to Item 6.5 - Strategic Risk Register on the Agenda for the meeting of the Audit and Risk Committee held on 14 June 2024.
 2. Notes the draft Strategic Risk Register contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 14 June 2024 and provides the following feedback:
 - 2.1. _____
 - 2.2. _____
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p>Strategic Alignment – Our Corporation</p> <p>The role of the City of Adelaide is to uphold the values of integrity and accountability. To ensure that the Council delivers services to the community as a leader, advocate and facilitator by maintaining a transparent decision-making process.</p>
Policy	Alignment with the City of Adelaide Risk Management Operating Guideline.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	Sound risk and opportunity management, minimises and controls risk, identifies improvement opportunities, and enables well-informed decision-making and supports the delivery of the Strategic Plan.
Opportunities	Sound risk and opportunity management, minimises and controls risk, identifies improvement opportunities, and enables well-informed decision-making and supports the delivery of the Strategic Plan.
23/24 Budget Allocation	Not as a result of this report.
Proposed 24/25 Budget Allocation	Not as a result of this report.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report.
Ongoing Costs (eg maintenance cost)	Not as a result of this report.
Other Funding Sources	Not as a result of this report.

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DISCUSSION

Background

1. One of the roles of the Audit and Risk Committee, as per 3.5.1 of the Terms of Reference, is to review the Council's Risk Profile and monitor the risk exposure of Council and its subsidiaries.

Strategic Risk Register

2. Following the approval of the City of Adelaide Strategic Plan 2024-2028, Strategic Risk and Internal Audit Group (SRIA) reviewed City of Adelaide (CoA's) Strategic Risk Register (Register).
3. KPMG facilitated a Strategic Risk Workshop to review and discuss the strategic risks for CoA with the executive. The feedback has been collated and formalised in a draft Register which was discussed at SRIA on 16 May 2024.
4. The updated draft Register appears as Attachment A and identifies ten risks. They are:
 - 4.1. *Financial Sustainability* - Council's financial settings are not sustainable in the long term.
 - 4.2. *Cyber Security* – Cyber security vulnerability exposes the CoA to data breaches and system compromises, risking sensitive information and operational disruption.
 - 4.3. *Assets and Infrastructure Risks* – Ineffective asset and infrastructure planning, systems, and programs or insufficient funding available.
 - 4.4. *Business Resilience* – Risk of disruptions to essential services and operations due to unforeseen events, threatening the CoA's ability to safeguard its personnel, assets, maintain service continuity and meet community needs.
 - 4.5. *Climate Change Adaptation & Vulnerability* – Impact of changing climate conditions and an increase in extreme weather events presents a risk to Council, community infrastructure and natural environment.
 - 4.6. *Statutory and Regulatory Risk* – Non-compliance with statutory and regulatory requirements poses legal, financial and reputational risks to the organisation.
 - 4.7. *Reputational Risk* – Negative reputation and public perception of Council.
 - 4.8. *Human Resource Management* - Risk of human resource management and health & safety compliance.
 - 4.9. *Ineffective Governance* – Ineffective governance leading to operational inefficiencies, legal liabilities, and reputational damage.
 - 4.10. *Lack of fit-for-purpose IT systems and data governance* – Inadequate IT systems and data governance endanger operational efficiency and data integrity while increasing susceptibility to security breaches and regulatory non-compliance.
5. The Strategic Risk Register will be replicated for the subsidiaries, Adelaide Economic Development Agency and Adelaide Central Market Authority to ensure a consistent approach to risk management practices.
6. A copy of the previous Strategic Risk and Opportunity Register appears as [link 1](#) for reference.
7. Following feedback received by the Audit and Risk Committee, an updated Register will be provided to the Committee at an upcoming meeting for endorsement prior to being presented to Council.

DATA AND SUPPORTING INFORMATION

[Link 1](#) – Strategic Risk and Opportunity Register

ATTACHMENTS

Attachment A – 2024 draft Strategic Risk Register