

# Strategic Risk Register - update

Friday, 11 April 2025  
Audit and Risk Committee

Strategic Alignment - Our Corporation

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Public

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## EXECUTIVE SUMMARY

This report presents the City of Adelaide's (CoA) draft revised 2025 Strategic Risk Register (Register).

The Register is part of the CoA risk management framework and requires regular update. A revised Register was noted by the Audit and Risk Committee (ARC) at its 14 June 2024 meeting, at which ARC requested format and methodological changes to the Register be brought back to ARC at a future meeting.

The attached revised Register (Attachment A) has been revamped to reflect ARC feedback from 14 June 2024. It has been workshopped with risk owners across the organisation. The risks, controls and risk ratings were reviewed and updated.

The revised Register was presented to the Strategic Risk and Internal Audit Group (SRIA) at the March 2025 meeting, which is supportive of the next steps.

ARC is requested to provide feedback on the Register which includes seeking specific feedback on the subordinate risks and the control measures in place.

Following the ARC meeting, SRIA will consider any feedback from ARC and review the Residual Risks. Once this has been completed, the Register will be presented back to ARC for final endorsement and recommendation to Council.

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## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL:

THAT COUNCIL:

1. Notes the report to Item 6.2 - Strategic Risk Register Update on the Agenda for the meeting of the Audit and Risk Committee held on 11 April 2025.
2. Endorses the Strategic Risk Register in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 11 April 2025, and provides the following feedback:
  - 2.1. \_\_\_\_\_
  - 2.2. \_\_\_\_\_

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<b>Strategic Alignment – Our Corporation</b> 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.
Policy	The Strategic Risk Register is part of the City of Adelaide risk management framework, outlined in the 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.
24/25 Budget Allocation	Not as a result of this report.
Proposed 25/26 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.
24/25 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.

# DISCUSSION

## Background

1. The Audit and Risk Committees (ARC) Terms of Reference and Meeting Procedures, states in part 11.2. *Keep under review the effectiveness of the Council's internal controls, risk and information management systems and the Council's Risk Profile, monitoring the risk exposure of Council and its subsidiaries.*
2. KPMG facilitated a Strategic Risk Workshop to review and discuss the strategic risks for City of Adelaide (CoA) with the Executive. The outcomes were collated and formalised in a draft Register which was endorsed by the Strategic Risk and Internal Audit Group (SRIA) on 16 May 2024.
3. The attached revised Register (Attachment A) has been revamped to reflect the ARC feedback from 14 June 2024. It has been workshopped with risk owners across the organisation. The risks, controls and risk ratings were reviewed and updated.
4. The revised Register was presented to SRIA at the March 2025 meeting, which is supportive of the next steps.

## Strategic Risk Register

5. ARC feedback reflected a need to better understand how high-level strategic risks related to subordinate risks, which control measures mitigate which risks, and to what degree. The revised Register employs a logical and sequential methodology which lays out:
  - 5.1. Ten high level "headline" strategic risks
  - 5.2. Causes and impact of high-level risks
  - 5.3. Subordinate risks which relate to or drive the high-level risk
  - 5.4. Likelihood of specific subordinate risks
  - 5.5. Operational areas impacted by uncontrolled subordinate risks
  - 5.6. Assessment of inherent risk level of subordinate risk
  - 5.7. Target subordinate risk level
  - 5.8. Control measures to mitigate subordinate risks
  - 5.9. Assessment of control effectiveness
  - 5.10. Assessment of residual risk likelihood, affected organisational areas, and risk level (after treatment)
  - 5.11. Responsible risk owner.
6. In the process of revising the Register, the risks, mitigating controls and risk likelihood have been reviewed with the relevant responsible risk owners.
7. The ten "headline" strategic risks are:
  - 7.1. *Financial Sustainability* – Council's financial settings are not sustainable in the long term.
  - 7.2. *Cyber Security* – Cyber Security vulnerability exposes the CoA to data breaches and system compromises, risking sensitive information and operational disruption.
  - 7.3. *Assets and Infrastructure* – Ineffective asset and infrastructure planning, systems and programs or insufficient funding available.
  - 7.4. *Business Resilience* – The 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.
  - 7.5. *Climate Change Adaptation and Vulnerability* – Impact of changing climate conditions and an increase in extreme weather events presents a risk to Council, community infrastructure and natural environment.
  - 7.6. *Statutory and Regulatory Risk* – Non-compliance with statutory and regulatory requirements poses legal, financial and reputational risks to the organisation.
  - 7.7. *Reputational Risk* – Negative reputation and public perception of Council.
  - 7.8. *Human Resource Management* – Ineffective human resource management and work health & safety non-compliance.

7.9. *Ineffective Governance* – Ineffective governance leading to operational inefficiencies, legal liabilities and reputational damage.

7.10. *Lack of fit-for-purpose IT systems governance*

8. To ensure consistency of risk management practices across CoA, the approach reflected in the Register will be replicated to manage risks identified by the CoA subsidiaries (Adelaide Economic Development Agency, and Adelaide Central Market Authority).
9. ARC is requested to provide feedback on the Register which includes seeking specific feedback on the subordinate risks and the control measures in place.
10. Following the ARC meeting, SRIA will consider any feedback from ARC and review the Residual Risks. Once this has been completed, the Register will be presented back to ARC for final endorsement and recommendation to Council.

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## ATTACHMENTS

**Attachment A** – 2025 draft Strategic Risk Register

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