

Limestone Coast Local Government Association - Risk Register 2026

Risk Rating Legend

Low	Moderate	High	Extreme
-----	----------	------	---------

Risk #	Risk Area	Risk Details	Subordinate Risks	Inherent Risk Rating	Key Controls	Responsibility	Residual Risk Rating
1	Statutory and Regulatory	Non-compliance with statutory and regulatory requirements poses legal, financial, and reputational risks to the organisation	Requirements of the Charter / Local Government Act are not met	High	Maintain and monitor up to date policies, procedures and internal controls	Executive Officer	Low
			Lack of effective systems and processes to monitor and respond to regulatory changes.		Prepare and maintain an annual compliance checklist for Charter and LG Act.	Executive Officer	
			Insufficient operational oversight		Maintain annual external audit and promptly attend to all audit findings	Executive Officer	
			Ineffective internal controls environment, including lack of monitoring, evaluation and continuous improvement of existing corporate governance practices, resulting in fraud, corruption, misconduct or non-compliance.		Set and monitor operational KPIs for Executive Officer	Board	
2	Ineffective Governance	Ineffective governance leading to poor decision making and poor strategic performance	Inadequate management of conflicts of interest	Moderate	Implement a robust board member induction process	Executive Officer / Board Members	Low
			Absenteeism or presenteeism by Board Members		Implement a biennial Board evaluation process	President / Executive Officer	
			Committee structure is ineffective or lacks clarity		Regular review of Committee Terms of Reference with updates as required	Executive Officer	
3	Financial Sustainability	Financial settings are not sustainable in the long term	Inadequate financial resources to delivery on business plan objectives or to meet member expectations.	High	Compliance with all grant funding conditions and requirements	Executive Officer	Low
			Access to non-competitive grants is lost or restricted		Regular budget reports to Board	Executive Officer	
			Withdrawal or non-payment by constituent councils		Alignment of Business Plan and Budget Process	Executive Officer / Board	
			Compliance with financial controls and policies		Executive Officer / Board		
			Consultation with constituent councils during annual business plan and budget process		Executive Officer		
4	Reputational	Negative reputation and public perception of the Association	Constituent Council withdraws or subsidiary is dissolved	Extreme	Implement and monitor Advocacy Plan and Framework	Executive Officer	Moderate
			Advocacy is misaligned to constituent councils and does not deliver meaningful outcomes		Regular reporting against Business Plan	Executive Officer	

			Ineffective engagement with key stakeholder groups and regional partners		Regular reporting on stakeholder engagement aligned to advocacy and business plan	Executive Officer	
					Regular communication to constituent council elected members about LCLGA activities clearly aligned to Strategic Plan	Executive Officer	
					Biannual face-to-face engagement with constituent council elected members and early engagement with new elected members	Executive Officer	
					Consultation with constituent councils on business plans		
5	IT Systems and Data Governance	Inadequate IT systems and data governance endanger operational efficiency and increase susceptibility to security breaches and regulatory non-compliance	Business systems are not fit for purpose, to enable delivery of efficient operations and meet organisational needs.	High	Compliance with Records Management Policy	Executive Officer	Moderate
					Service Agreements require contractors to maintain adequate IT systems	Executive Officer	
6	Human Resources	Absence of Executive support to the Board.	Inadequate funding leading to remuneration offering not competitive. Unsustainable workload/ low morale leads to resignation. Inability to attract skilled staff. Direction and priorities of the Board adapt and skills no longer match current staff.	Extreme	Alignment of Business Plan and Budget Process with Strategic Plan. Ensure funding is proportional to workload- project funding is adequate to support core staff.	Executive Officer / Board	Moderate
					Employment conditions are attractive inc. flexible hours, WFH etc. Ongoing employment contracts with funding certainty		
					Regular performance reviews and clear KPIs		
					Effective communication between Board and Staff		
					Regularly review and update policies and procedures to give clear direction and support		
					Mitigate reputational risk to ensure the Association is attractive to potential employees		
7.	Financial	Mismanagement of funds or fraud	Financial controls inadequate Ineffective budgeting leads to unplanned deficits and/or insolvency Inadequate insurance to cover unexpected losses Inadequate cyber security	Extreme	Regular review of internal controls, policies and procedures	Executive Officer / Audit and Risk Committee / Board	Low
					Annual Audit conducted by External Auditor		
					Board approved financial delegations		
					Regular meetings of Audit and Risk Committee to review budget		
					Financial reports presented to the Board regularly		