



LIMESTONE COAST LOCAL GOVERNMENT ASSOCIATION RISK REGISTER & RISK ASSURANCE MAP

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1.1 Executive Summary

The Limestone Coast Local Government Association (LCLGA) is committed to providing assurance across the organisation, leading to the creation of the following:

- Risk Register ([Appendix A](#)); and
- Assurance Map ([Appendix B](#)).

1.2 Scope

The scope of the Risk Register & Assurance Map includes:

- Reviewing risks within the Risk Register.
- Reviewing the coverage and quality of assurance over key risks, processes, and controls. Specifically:
 - The various types of risks & assurance undertaken across the organisation.
 - The frequency of risk & assurance activities.
 - Whether or not assurance is performed by an independent or internal person/team.
 - The nature of the risk & assurance activities itself (e.g., formal testing vs high level review).
- Assessing the level of risk & assurance to consider any gaps.

1.3 Approach

The approach for this Risk Register & Assurance Mapping includes:

- Identifying risks for the Risk Register to inform the development of the Assurance Map.
- Aggregating a number of selected risks from the Risk Register to identify a list of Strategic Risks for the LCLGA, which forms the basis of the assurance mapping process. These are reviewed and validated by the Board, Executive Officer and Audit and Risk Committee.
- Discussing with the Board the various sources of assurance currently and potentially being utilised by LCLGA across its three lines of defence model for the selected risks, including:
 - [Line 1](#) - Line management and process control.
 - [Line 2](#) - Internal processes and management.
 - [Line 3](#) - Independent sources of assurance (e.g., internal & external audit, regulators etc.).
- Considering the impact of controls to manage the 7 “headline” strategic risks:
 1. [*Financial Sustainability*](#): LCLGAs financial settings are not sustainable in the long term.
 2. [*Cyber Security*](#): Cyber Security vulnerability exposes the LCLGA to data breaches and system compromises, risking sensitive information and operational disruption.
 3. [*Statutory and Regulatory Risk*](#): Non-compliance with statutory and regulatory requirements poses legal, financial and reputational risks to the organisation.
 4. [*Reputational Risk*](#): Negative reputation and public perception of the LCLGA.
 5. [*Human Resource Management*](#): Ineffective HR and WH&S non-compliance.
 6. [*Ineffective Governance*](#): Ineffective governance leading to operational inefficiencies, legal liabilities and reputational damage.
 7. [*Lack of fit-for-purpose IT systems governance*](#).

Appendix A - Limestone Coast Local Government Association - Risk Register 2026

ADOPTED 13 February 2026

Risk Rating Legend

Low	Moderate	High	Extreme
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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	
					Maintain networks and subscribe to updates to monitor regulatory changes	Executive Officer	
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	

Risk Register & Assurance Map
ADOPTED October 2026

Risk #	Risk Area	Risk Details	Subordinate Risks	Inherent Risk Rating	Key Controls	Responsibility	Residual Risk Rating
			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. - Access to non-competitive grants is lost or restricted - Withdrawal or non-payment by constituent councils	High	Compliance with all grant funding conditions and requirements Regular budget reports to Board Alignment of Business Plan and Budget Process Compliance with financial controls and policies Consultation with constituent councils during annual business plan and budget process	Executive Officer Executive Officer Executive Officer / Board Executive Officer / Board Executive Officer	Low
4	Reputational	Negative reputation and public perception of the Association	- Constituent Council withdraws or subsidiary is dissolved - Advocacy is misaligned to constituent councils and does not deliver meaningful outcomes - Ineffective engagement with key stakeholder groups and regional partners	Extreme	Implement and monitor Advocacy Plan and Framework Regular reporting against Business Plan Regular reporting on stakeholder engagement aligned to advocacy and business plan Regular communication to constituent council elected members about LCLGA activities clearly aligned to Strategic Plan Biannual face-to-face engagement with constituent council elected members	Executive Officer Executive Officer Executive Officer Executive Officer Executive Officer	Moderate

Risk #	Risk Area	Risk Details	Subordinate Risks	Inherent Risk Rating	Key Controls	Responsibility	Residual Risk Rating
					and early engagement with new elected members 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 Service Agreements require contractors to maintain adequate IT systems	Executive Officer Executive Officer	Moderate
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. 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	Executive Officer / Board	Moderate
7.	Financial	Mismanagement of funds or fraud	Financial controls inadequate	Extreme	Regular review of internal controls, policies and procedures	Executive Officer / Audit	Low

Risk #	Risk Area	Risk Details	Subordinate Risks	Inherent Risk Rating	Key Controls	Responsibility	Residual Risk Rating
			• Ineffective budgeting leads to unplanned deficits and/or insolvency • Inadequate insurance to cover unexpected losses • Inadequate cyber security		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	and Risk Committee / Board	

Appendix B

1.4 Assurance Mapping

Assurance mapping is an assessment of activities performed throughout the organisation to provide LCLGA Members insights on the assurance activities performed to manage the organisation's key risks. Performing an assurance mapping exercise allows Management to coordinate the assurance activities in a more targeted and cost-effective approach.

At a high level the assurance mapping process involves considering each of the organisation's corporate risks in the context of its organisational processes. The greater role the process plays in managing a key risk, the more important it is that the process, and its supporting internal controls is subject to a required level of assurance. The "required" level of assurance can then be compared to 'actual' assurance provided to highlight gaps or instances of duplication or over-assurance.

Assurance activities have been broken down into a "three lines of defence" model as detailed in the following table.

First Line	Second Line	Third Line
Policies and Procedures	Cross divisional review/assessment	Internal Audit
Programs and Plans	Internal Committees	External Audit
Management Review	Audit & Risk Committee review	Other regulator – appointed consultants
Budget/financial	Governance & Council Support – review and/or involvement	Other auditors/consultants

1.5 Assurance Mapping Methodology

Subsequent to the 7 risks being identified, relevant staff are consulted, and discussions are held to determine the following:

- How the business processes and relevant programs and plans help manage the relevant strategic risks.
- The assurance activities undertaken or in place across their business process based on the three line of defence model.
- The overall assurance rating resulting from the aggregate assurance in place across the three lines of defence for that risk. It is noted that this overall rating was given at the strategic risk level and may not be reflective of the residual risk ratings contained within the Risk Register for the associated corporate risks to that strategic risk.

Assurance Map

Assurance Mapping Methodology

The output of the assurance mapping process is a detailed summary of assurance across the LCLGAs 7 risks. The map is colour coded by the degree of assurance & the overall level of assurance currently in place for each risk.

Risk #	Risk Description	Risk Owner	First Line of Defence Business operations "Management Controls"		Second Line of Defence Oversight functions e.g. Finance, Legal, HR, WHS, Risk & Compliance			Third Line of Defence Internal Audit & other independent assurance providers		Summary/Level of Assurance	Improvement Opportunities
			Policies, Procedures & Frameworks	Management Review	Financial, Corporate & Governance	Internal Committees	Council Review	External Auditors	Internal Auditors		
1.	Statutory & Regulatory Non-compliance with statutory and regulatory requirements poses legal, financial, and reputational risks to the organisation Inherent Risk: <u>High</u>		High	High	High	Medium	Medium	High	High	• Maintain and monitor up to date policies, procedures and internal controls • Prepare and maintain an annual compliance checklist for Charter and LG Act. • Maintain annual external audit and promptly attend to all audit findings • Set and monitor operational KPIs for Executive Officer • Maintain networks and subscribe to updates to monitor regulatory changes	•
2.	Ineffective Governance Ineffective governance leading to poor decision making and poor strategic performance Inherent Risk: <u>Moderate</u>		Medium	Medium	Medium	Medium	Medium	Medium	Medium	• Implement a robust board member induction process • Implement a biennial Board evaluation process • Regular review of Committee Terms of Reference with updates as required • 5 year strategic plan & budget	•

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3.	Financial Sustainability Financial settings are not sustainable in the long term Inherent Risk: <u>High</u>		High	High	High	High	High	High	Medium	• Compliance with all grant funding conditions and requirements • Regular budget reports to Board • Alignment of Business Plan and Budget Process • Compliance with financial controls and policies • Consultation with constituent councils during annual business plan and budget process	•
4.	Reputational Negative reputation and public perception of the association Inherent Risk: <u>Extreme</u>		High	High	High	High	High	High	High	• Implement and monitor Advocacy Plan and Framework • Regular reporting against Business Plan • Regular reporting on stakeholder engagement aligned to advocacy and business plan • Regular communication to constituent council elected members about LCLGA activities clearly aligned to Strategic Plan • Biannual face-to-face engagement with constituent council elected members and early engagement with new elected members • Consultation with constituent councils on business plans	•

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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 Inherent Risk: High		Medium	Medium	Medium	Medium	Medium	Medium	Medium	- Compliance with Records Management Policy - Service Agreements require contractors to maintain adequate IT systems	
6.	Human Resources Absence of Executive Support to the Board Inherent Risk: Extreme		Medium	Medium	Medium	Medium	Medium	Medium	Medium	- Alignment of Business Plan and Budget Process with Strategic Plan. Ensure funding is proportional to workload- project funding is adequate to support core staff. - 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	

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			Policies, Procedures & Frameworks	Management Review	Financial, Corporate & Governance	Internal Committees	Council Review	External Auditors	Internal Auditors		
7.	Financial Management Risk. Mismanagement of funds or fraud Inherent Risk: Extreme		High	High	High	High	High	High	Medium	- Regular review of internal controls, policies and procedures - 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	