

9.1 Risk Management Policy

1. Purpose

The purpose of this policy is to outline the Aldinga Community Centre's approach to managing risk.

2. Responsibilities

It is the responsibility of the Centre's Board to ensure that this policy is implemented.

It is the responsibility of the Centre's Board and Community Development Officer (CDO) to ensure that the procedures are implemented.

3. Principles

Risk and opportunity go hand in hand. Many projects or activities undertaken by the Centre intend to offer or achieve something that hasn't been done before. Community development cannot always be achieved without sometimes taking risk.

Risk in itself is not bad. Sometimes risk is essential to progress and failure is often a valuable part of learning. The Centre will strive to balance the possible negative consequences of risk against the potential benefits of any decision, action or proposal.

4. Definitions

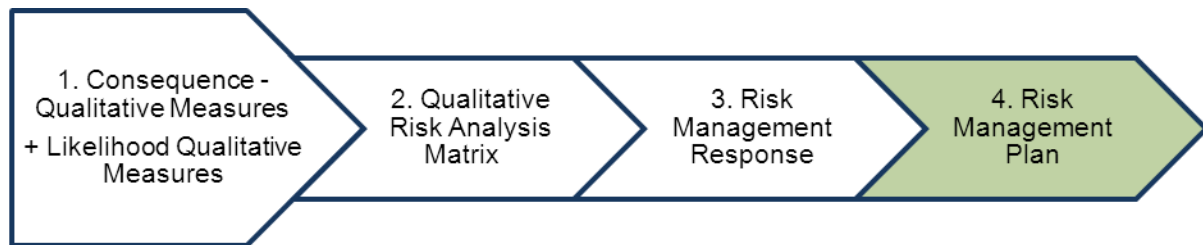
Risk - the chance of something happening that will have an impact on the objectives of the Centre.

Risk Management - the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, assessing, treating, monitoring and communicating.

5. Policy

Risk Management is defined in the standard (AS/NZS 4360:2004) as "the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, assessing, treating, monitoring and communicating".

The Centre's risk management framework has been developed from Risk Management Standard AS/NZ ISO 31000:2009 *Risk Management – Principles and Guidelines* and consists of four parts:



The purpose of risk management is to:

- meet the Centre’s strategic and operational objectives while also minimising the impact of significant risks that the Centre can meaningfully and realistically control
- protect and enhancing the Centre’s reputation
- behave as a responsible and ethical corporate citizen, protecting employees, volunteers, the Board and the broader community from harm and protecting physical property from loss or damage
- establish the right balance between the cost of control and the risks it is willing to accept as part of the community development environment within which the Centre operates
- recognise and make the most of opportunities, and
- increase organisational efficiency and resilience in relation to risk management.

Risk management applies to wide range of the Centre’s activities, including strategies and decisions, operations, processes, functions, projects, products, services and assets.

The Board, employees, volunteers and others who are making decisions and providing services have a responsibility to systematically identify situations where someone or something might be at risk of harm or loss. They must then take reasonable action to avoid, reduce, transfer or accept those risks.

Reasonable action will be that which would be considered reasonable for a similar organisation to take, considering the:

- legal requirements
- nature and severity of the risk
- knowledge of the severity of risk
- knowledge of controls and solutions
- availability of controls and solutions, and
- cost of controls and solutions.

The Centre’s decisions and practices must comply with the requirements of relevant legislation, regulations, codes of practice and standards. Such legislative requirements will be adopted as the minimum standard to prevent loss or harm.

Wherever appropriate, employees and volunteers, through agreed consultative processes, should be involved in helping the Board of Management determine and respond to risk.

The Centre will have a Risk Management Plan which must be approved at least once each year by the Board and reviewed by the Board of Management as determined by them due to a change in circumstances, identification of a new risk or where an incident has occurred which indicates a need to review the risk management plan.

Individual Program/Events must have a Program/Event Risk Management Plan which must be approved, monitored and reviewed by the Community Development Officer.

Regular and thorough reviews are expected to ensure that:

- new risks are identified and considered as they arise
- existing risks are monitored to identify any changes which may impact on the Centre
- existing risk controls are still in place and working effectively
- new risk controls are being implemented according to the Risk Management Plans
- information about risks is adequately communicated to the appropriate people, in particular the Community Development Officer and the Board of Management.

The following tables and diagrams describe the risk management framework:

Table 1 Likelihood and Consequence: Definitions and Ratings

Consequence – Qualitative measures			Likelihood – Qualitative measures		
Level	Descriptor	Detailed Description	Level	Descriptor	Detailed Description
5	Critical	Disaster – loss of human life, extensive loss of flora and fauna, loss of property, reputation, financial resources. (Financial consequences: 75% or greater of project budget).	E	Almost Certain	The event will occur during the project.
4	Serious	Critical event, which with proper management can be endured. (Financial consequences: 50%–75% of project budget).	D	Likely	The event is likely to occur during the project.
3	Moderate	Significant event that can be managed under normal operating procedures. (Financial consequences: 20%– 50% of project budget).	C	Possible	The event may occur during the project.
2	Minor	Consequences can be readily absorbed but management effort is still required to minimise impacts. (Financial consequences: 10%– 20% of project budget).	B	Unlikely	The event is not likely to occur in the planning period.
1	Negligible	Very low significance. (Financial consequences: less than 10% of project budget).	A	Rare	The event will only occur in exceptional circumstances .

The risk is then analysed by plotting likelihood and consequence (see Table 2).

Table 2 Qualitative Risk Analysis Matrix

Likelihood	Consequences				
	1 (Negligible)	2 (Minor)	3 (Moderate)	4 (Serious)	5 (Critical)
E (almost certain)	M	H	H	VH	VH
D (likely)	M	M	H	H	VH
C (possible)	L	M	H	H	H
B (unlikely)	L	L	M	M	H
A (rare)	L	L	M	M	H

This can also be shown as:

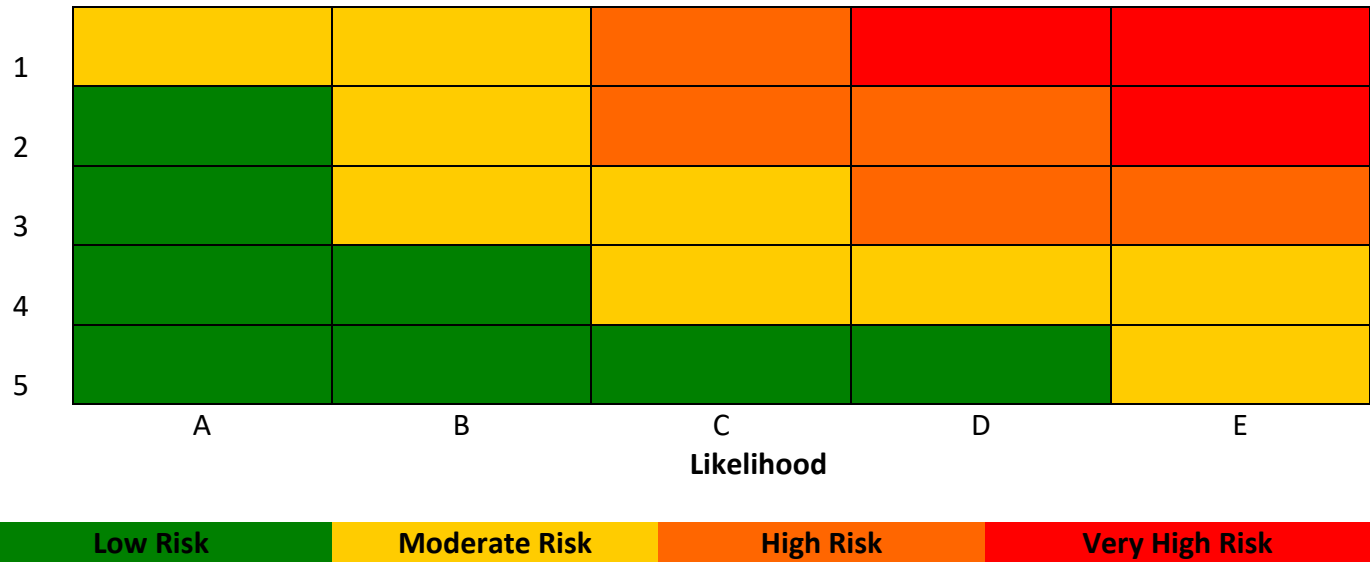


Table 3 Risk Management Response

VH = Very High Risk → Immediate action required	Not acceptable. Likely to threaten the survival or continued effective functioning of the program or the Centre. Immediate action required. Must be managed by CDO with a detailed treatment plan reported to Board of Management.
H = High Risk → Action must be planned and implemented	Generally not acceptable. Likely to cause some damage, disruption or breach of controls. CDO attention needed. Treatment plans to be developed and reported to Board of Management.
M = Moderate Risk → Management responsibility must be specified	Acceptable. Unlikely to cause much damage and/or threaten the efficiency and effectiveness of the program/activity. Treatment plans to be developed and implemented by program/activity coordinators. Manage by specific monitoring or response procedures.
L = Low Risk → Manage by routine procedures	Acceptable. Unlikely to require specific application of resources. Manage by routine procedures. Monitor and review.

Table 4 Risk Management Plan (template)

No	Interest Area (Risk Source)	Risk Identified	Consequences	Like-lihood	Risk Rating	Existing Controls	Proposed Controls	Responsibility	Actions Implemented
1.1	Staffing (employees and volunteers)								
1.2									
1.3									
2.1	Governance								
2.2									
3.1	Infrastructure								
3.2									
4.1	Financial								
4.2									
5.1	Program								
5.2									

6. Approvals

	Policy	Procedure
Approving Authority	Board of Management	Board of Management
Approval Date	21 st September 2017	21 st September 2017
Next Review Due	September 2018	September 2018