

Interchange Shoalhaven.

Governance Policy: Risk Management

1.0 PURPOSE

- 1.1 Interchange Shoalhaven Inc. has a duty to provide a safe workplace for its staff and volunteers, a safe environment for its clients, and a reliable development path for the organisation. Interchange Shoalhaven Inc. will put procedures in place that will as far as possible ensure that risks are minimised and their consequences averted.
- 1.2 Interchange Shoalhaven Inc. will endeavour to minimise the risk any particular operation poses to our organisation, our staff, our volunteers, our consumers, or the general public.
- 1.3 The purpose of this document is to identify applicable risks and to enable risk management procedures to be satisfactorily identified, organised and maintained.

2.0 SCOPE

- 2.1 The target groups for this policy are adults, children and young people with a disability who receive services from Interchange Shoalhaven Inc.
- 2.2 The policy also applies to management, staff, contractors and volunteers working with people with a disability, or in predictable situations where others who may come in contact with consumers, such as visitors and the general public.
- 2.3 Staff in Interchange Shoalhaven Inc. will need to be made aware of and receive training in the implementation of this policy, as well as in WH&S, safe work procedures and other appropriate work practices for example, incident management.

3.0 DEFINITIONS

- 3.1 "Risk" is the probability that an occasion will arise that presents a danger to our organisation, our staff, our volunteers, our consumers, or the general public. It includes, but is not limited to,
 - 3.1.1 Physical hazards
 - 3.1.2 Financial hazards
 - 3.1.3 Reputational hazards
 - 3.1.4 Legal hazards

4.0 RESPONSIBILITIES

- 4.1 It is the responsibility of the Board, with the assistance of the Manager, to carry out risk management analyses of the organisation, and to take appropriate measures.
- 4.2 It is the responsibility of the Manager to ensure that:
 - 4.2.1 Effective risk management procedures are in place, applicable to all relevant areas;
 - 4.2.2 Risk management procedures are reviewed regularly;
 - 4.2.3 Recommendations arising out of the risk management process are evaluated and, if necessary, implemented;

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- 4.2.4 Employees and volunteers are aware of all applicable risks and familiar with the organisation's risk management procedures;
- 4.2.5 Risk management analyses are carried out for all relevant sectors of the organisation;
- 4.2.6 Risk management checklists are prepared for each relevant section;
- 4.2.7 Risk management checklists are reviewed regularly by relevant staff with the assistance of the Manager to ensure that no risks have been overlooked;
- 4.2.8 Each risk management checklist is reviewed by every section to which it is applicable at least once a year to ensure that procedures are in place to avert the risk or, if that is not possible, to mitigate its impact; and
- 4.2.9 copies of up-to-date risk management checklists are kept in a central Risk Management Register.
- 4.3 It is the responsibility of all employees and volunteers to ensure that:
 - 4.3.1 They are familiar with the organisation's risk management procedures applicable to their section;
 - 4.3.2 They observe those risk management procedures; and
 - 4.3.3 They inform their supervisor if they become aware of any risk not covered by existing procedures.

5.0 PROCEDURE

- 5.1 Managing Organisational Risk
 - 5.1.1 Strategic organisational change should be assessed through a risk management process
 - 5.1.1.1 Identify threats – the first stage of a risk analysis is to identify threats facing the organisation. Threats may come from a variety of sources such as human, disruptions to supply, failure of systems, technical failures, natural disasters or competitor activity.
 - 5.1.1.2 Estimate Risk – the next step is to work out the likelihood of the threat being realised and to assess its impact. One approach to this is to make the best estimate of the probability of the event occurring, and to multiply this by the amount it will cost to set things right if it happens. This gives a value for the risk.
 - 5.1.1.3 Managing the risk – when the value of the risk is clear, methods need to be identified to manage them. It is important to choose cost effective approaches. It may be better to accept the risk than to use cost effective resources to eliminate it. Risks may be managed in a number of ways:
 - 5.1.1.3.1 By using existing assets, by improving existing methods and systems, changing responsibilities,

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improvements to accountability and internal controls, and so on.

5.1.1.3.2 By contingency planning and developing a plan to minimise effects if the worst happens.

5.1.1.3.3 By investing in new resources to counter risk.

5.1.1.4 Reviews – This may involve formal reviews of the risk analysis or may involve testing systems and plans appropriately.

5.1.2 Mitigation strategies – additional efforts that must be taken to lower the likelihood of the risk occurring and/or to minimise the impact if the risk did occur. Any risk mitigation strategy should include:

5.1.2.1 Roles and responsibilities for developing, implementing and monitoring the strategy

5.1.2.2 Timelines

5.1.2.3 Conditions present in order for risk level to be acceptable

5.1.2.4 Resources required to carry out the planned actions.

5.1.3 Develop Change Management Plan

1.1 Managing Risk in the workplace and service delivery

1.1.1 The Manager shall nominate appropriate person in each section of the organisation to carry out risk assessment exercises; this should involve:

1.1.1.1 Identifying the risks attached to every element of their operation and the likelihood of that risk eventuating

1.1.1.2 Identifying practices to avert those risks;

1.1.1.3 Identifying practices to mitigate the effects of those risks; and

1.1.1.4 Recording those risks, those precautions and those remedies in the form of deliverable checklists.

1.1.2 The Manager shall participate in each section's risk management exercise to ensure consistency of approach.

5.2 Risk Management Checklists

1.1.3 The Manager will ensure that:

1.1.3.1 Each section of the organisation has available to it all relevant risk management checklists;

1.1.3.2 Each risk management checklist is reviewed by the organisation at least once a year to ensure that no risks have been overlooked;

1.1.3.3 Each risk management checklist is reviewed by every section to which it is applicable at least once a year to ensure that procedures are in place to avert the risk or, if that is not possible, to mitigate its impact; and

1.1.3.4 A current copy of each risk management checklist is held centrally in the organisation's **Risk Management Register**.

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REFERENCE DOCUMENTS

Policy: WH&S

Form: Risk Management Checklists (RMC)

Register: Risk Management.