

Risk Policy

Purpose

The Proprietor is committed to ensuring that risk within the organisation and also externally from the environment in which it operates, is identified and mitigated.

Scope

This is a Proprietor governance policy which the Proprietor's employees are expected to actively manage in conjunction with the Proprietor.

All staff are responsible for identifying, assessing and managing the risk within their areas of control.

Definition

Risk: Anything that could prevent the Proprietor from achieving its goals or an outcome resulting in loss.

Policy

The Proprietor will identify and evaluate the principle risks faced and ensure that appropriate systems are in place to avoid or mitigate these risks including the protection of intellectual capital. Accordingly, the Proprietor will:

- a) ensure that robust risk management policies and processes are developed and monitored addressing all areas of organisational risk and that the board is kept abreast of all key risks areas and strategies in a timely manner;
- b) ensure that suitable internal controls are in place and are enacted and monitored to ensure effective and efficient operation and management of the organisation's resources;
- c) ensure that the organisation is governed and managed in accordance with its Rules and Policies;
- d) ensure proper accounting records are kept; and
- e) ensure prompt investigation of any material shortfalls or breaches in compliance or risk management standards.

Appendix 1 – Table for assessing risk levels

LIKELIHOOD	IMPACT/CONSEQUENCE	RISK (likelihood x consequence)
1 – Very low Extremely unlikely Less than 5% chance of occurring	1 – Insignificant Consequences are very low, minor disruption	1-5 – Very low Manage within existing controls. Monitor annually
2 – Low Unlikely 5% - 25% chance of occurring	2 – Minor Losses may disrupt services for a short period. Financial losses may be in the region of \$10,000 Disruption to a single area of the organisation	6-10 – Low Manage within existing controls. Monitor 6 monthly
3 – Medium Possible 25%-60% chance of occurring	3 – Moderate Service lost for period 1-5 days Financial loss \$10,000 - \$50,000. Internal event review required. Moderate injury equivalent to staff requiring time < 5 days away from work Adverse media coverage for 1 day	11-15 – Medium Evaluate efficiency of existing controls Develop and implement additional control mechanisms Monitor quarterly
4 – High Likely 60% - 80% chance of occurring	4 – Serious Service lost for period exceeding 1 week Financial loss \$50,000-\$100,000 Adverse media coverage for 1 week Internal investigation or by an external source/regulator Staff contractor or visitor suffers serious injury Impact to multiple and diverse areas of the business. Significant senior management intervention required including external assistance	16-20 – High Implement mitigation plan Escalate/report to senior management Monitor monthly
5 – Very high Almost certain 80%-100% chance of occurring	5 – Very serious Significant resources required to recover from impact Legal consequences resulting in prosecution. Financial loss > \$100,000 Staff, contractor or visitor involved in a fatal event Adverse media coverage for an extended period Complete loss of service delivery affecting all critical functions Immediate Proprietor intervention required	Over 20 – Very high Implement mitigation immediately Escalate to senior management Monitor weekly

The values identified above for financial loss reflect those which may be experienced at an organisational level.