

## Policy & Procedure 19 – Business & Financial Risk Management

<b>Relates to legislation:</b>	Relates to our internal practices
<b>Applicable to:</b>	Learners, employers, community, industry, the Australian Skills Quality Authority, Skills Canberra, Training Services NSW and the ACT Training Fund Authority. Global Energy Training Solutions management, trainers/assessors, administration staff, contractors, volunteers and visitors.
<b>Referenced documents:</b>	Policy & Procedure 9 – Work, Health & Safety Policy & Procedure 10 – Incident, Injury & Rehabilitation
<b>Monitor and review:</b>	In accordance with: Policy & Procedure 18 – Quality Management
<b>Responsibility:</b>	Ben Murphy – as Proprietor / Chief Executive
<b>Questions/queries:</b>	<a href="mailto:administration@gets.edu.au">administration@gets.edu.au</a> (+61) 02 6262 0077

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### 1. Policy Objective

To;

- ensure best practice management of both internal and external risks faced by us.
- to minimise the risk any particular operation poses to our organisation, our staff, our volunteers, our learners, or the general public.
- maximise opportunities for our activities.

### 2. Policy

The key principles of risk management are to:

- embed management of risks as an integral part of the business process.
- use an effective system of risk identification, analysis, evaluation and treatment.
- avoid exposure to financial, legal and reputational losses.

## Definitions

Risk Management involves

- Identifying risks.
- Assess the likelihood and consequences of the risk occurring.
- Mitigate the risk by implementing effective and practical control measures.
- Monitor and review control measures and the scope for future risk.

## Work Health and Safety and Risk Assessment

For Work Health and Safety and Risk Assessment specific issues please refer to Policy & Procedure 9 – Work, Health & Safety and Policy & Procedure 10 – Incident, Injury & Rehabilitation.

## 3. Procedures

It is the responsibility of the Proprietor / Chief Executive, in consultation with staff, learners, industry and other key stakeholders to:

- Identify risks that are relevant to the work area, event or environment: Tools to be used include brainstorming, history and failure analysis, comparison with industry practices and standards.
- Use the Risk Management Analysis Matrix (below) to analyse any identified risks by calculating the likelihood and consequences of an event should it occurring.
- Evaluate and control the risk by putting in place treatments to **avoid, reduce, share or accept** a risk.
- The Risk Management Register is used to log all identified risks including risk scores, the controls to be put in place, actions to be taken, by whom and follow-up.
- The Risk Management Register is to be monitored and reviewed regularly to ensure that the register is relevant, accurate and up to date. Whenever there are changes to the risk environment a risk assessment needs to be undertaken and entered onto the register.
- The Risk Management Register is a dynamic document, showing who does what when and ensures that all information and knowledge is captured, and continual updating reflects the current situation.
- The Risk Management Register underpins our internal Business Continuity Plan which protects business operations by preparing us for unexpected disruptions, and planning recovery to business as usual.

### Risk management analysis matrix

	Consequence				
Likelihood	Insignificant(1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
Unlikely (2)	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
Possible (3)	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
Likely (4)	Low (4)	Medium (8)	Medium (12)	High (16)	Extreme (20)
Almost certain (5)	Low (5)	Medium (10)	High (15)	Extreme (20)	Extreme (25)

## Likelihood of occurrence

Level	Likelihood	Expected or actual frequency experienced
1	Rare	May only occur in exceptional circumstances; simple process; no previous incidence of non-compliance
2	Unlikely	Could occur at some time; less than 25% chance of occurring; non-complex process &/or existence of checks and balances
3	Possible	Might occur at some time; 25 – 50% chance of occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organisation
4	Likely	Will probably occur in most circumstances; 50-75% chance of occurring; complex process with some checks & balances; impacting factors outside control of organisation
5	Almost certain	Can be expected to occur in most circumstances; more than 75% chance of occurring; complex process with minimal checks & balances; impacting factors outside control of organisation

## Consequences of Occurrence

Level & descriptor	Health Impacts	Critical services interruption	Organisational/ financial outcomes/ objectives	Reputation and image per issue	Non-compliance
<b>Insignificant (1)</b>	First aid or equivalent only	No real disruption	Little impact	No media exposure, not at fault; no impact	Innocent procedural breach; evidence of good faith; little impact
<b>Minor (2)</b>	Routine medical attention required (up to 2 wks incapacity)	Short term temporary suspension – backlog cleared < 1 day	Inconvenient delays, minor financial loss <\$500	No media exposure, clear fault settled quickly; negligible impact	Breach; objection/complaint lodged; minor harm with investigation
<b>Moderate (3)</b>	Increased level medical attention (2 wks to 3 mths incapacity)	Medium term temporary suspension – backlog cleared by additional resources	Some delays; marginal under-achievement of target performance, some financial loss <\$2000	Some small media exposure; slow resolution; regulator enquiry/briefing	Negligent breach; lack of good faith evident; performance review initiated
<b>Major (4)</b>	Severe health crisis (incapacity beyond 3 mths)	Prolonged suspension of work – additional resources required; performance affected	Significant delays; performance significantly under target, significant financial loss <\$5000	Media profile; at fault or unresolved complexities; regulator involvement	Deliberate breach or gross negligence; formal investigation; disciplinary action; regulator involvement
<b>Catastrophic (5)</b>	Multiple severe health crises/injury or death	Prolonged suspension of work; non performance	Non achievement of objective/ outcome; performance failure, major financial loss >\$5000	Maximum high level headline exposure; Regulator censure; loss of credibility	Serious, wilful breach; criminal negligence or act; prosecution; dismissal; regulator censure

#### 4. Version Control

Version	Date of release	Author	Authorised by	Position	Reason for change
V3	27/4/2017	Ben Murphy	Ben Murphy	Proprietor / Chief Executive	Initial release. Version number consistent with full P&P review release