



Risk Management Plan

2017- 2020

We acknowledge the Noongar people as Traditional Custodians of this land and pay our respects to all Elders past and present



PHCC Working Together
Peel-Harvey Catchment Council

This version: 1.6 (February 2017)

This version includes changes arising from meetings of the Governance Review Steering Committee held on 31 October 2016 and 24 January 2017. It also incorporates comments received from staff, and feedback from staff on their highest corporate and operational risks.

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Acknowledgements

This Plan has been developed with the assistance and advice of staff and board members. The WA Council of Social Services provided information and templates on risk management via a webinar held on 9th September 2016.

Acronyms

AG	Australian Government
AKM	Australian Knowledge Management (Group)
CEO	Chief Executive Officer
NLP	National Landcare Program
PHCC	Peel-Harvey Catchment Council
WACOSS	West Australian Council of Social Services

1. Introduction

This Risk Management Plan addresses organisational level risks that the Peel-Harvey Catchment Council (PHCC) is likely to face over the next 3 years. The preparation of this Plan is a recommendation of the Governance Review conducted for the PHCC in 2014 by the Australian Knowledge Management Group (AKM Group). It complements other plans and procedures that have and are developed by the PHCC from time to time to address specific project risks or types of risks, and replaces risk management strategies identified in the PHCC Business Plan 2012-2022.

Risks are defined as the potential events and consequences that can effect the PHCC achieving its strategic objectives. The PHCC recognises that considered and structured risk-taking is essential in the successful achievement of its Strategic Directions (PHCC, 2016) and goals.

The Plan:

1. identifies risks under the categories of financial, strategic, and operational;
2. rates risk through an assessment of the:
 - i. potential or likelihood of something happening that will negatively effect the organisation; and
 - ii. the consequence on the organisation if it does occur;
3. recommends treatment of risks which are rated 'High' or 'Extreme';
4. links treatment of risks to requirements set out under the Australian Government Performance Expectation Framework;
5. identifies a responsible officer or group for the treatment of 'High' or 'Extreme' risks.

The Plan has been prepared with the input of the Board's Governance Review Steering Committee, Chief Executive Officer and staff.

To gauge staff perspectives on risk, all staff were invited to complete an online survey to identify their top three (3) corporate risks and top three (3) operational risks to PHCC.

The plan has drawn on an informal review of the PHCC's guiding documents, overarching policies, and governance-related reports including:

- Strategic Directions 2016 – 2026 (PHCC, 2016);
- Binjareb Boodja Landscapes 2025 (PHCC, 2015);
- Governance Review Peel-Harvey Catchment Council (Australian Knowledge Management Group Pty Ltd, 2014); and,
- Peel-Harvey Corporate Policies (PHCC, various policies dated 2006 – 2016).

The Board acknowledges that there are likely to be resourcing implications associated with implementation of this Plan, especially those Risk Treatment Strategies in Table 2 which are marked as a "New or yet to be implemented action". Additional resources required to implement specific actions recommended in this Plan may be requested by the CEO through existing governance and budgetary management processes.

Once endorsed by the Board, the Plan shall be regarded as the PHCC's Risk Management Policy.

Responsibility for regular review of the Plan rests with the CEO. The CEO will present a review on an annual basis to the Governance Steering Committee, who will in turn report to the PHCC.

2. Risk rating

All risks identified in this Plan have been rated according to the matrix in Table 1. The matrix uses an assessment of the likelihood of the event occurring and the likely consequence should the event occur.

Table 1: Risk rating

		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood	Almost certain	Medium	High	Extreme	Extreme	Extreme
	Likely	Medium	High	High	Extreme	Extreme
	Possible	Low	Medium	High	High	Extreme
	Unlikely	Low	Low	Medium	High	High
	Rare	Low	Low	Medium	Medium	High

(WACOSS, 2016)

The risk ratings included in Table 2 have been assessed under current operating environments (as at October 2016), and do not allow for the implementation of the recommended Risk Treatment Strategies. These risks are listed in the column labelled “Maximal risk rating”.

An estimate of the risk remaining after the implementation of the treatment strategies is also included in Table 2 in the column labelled ‘Residual risk rating’. Significant factors in determining the residual risk include the inherent nature of the risk, especially the degree to which the risk is within the control of the PHCC, and the likely effectiveness of the recommended risk treatment strategies.

Each risk treatment strategy has been highlighted yellow or orange. Yellow indicates the treatment strategy is an existing practice, process or policy of the PHCC. Orange indicates that the strategy is a proposed new initiative or an initiative which the PHCC has already made some commitment to implement.

The table also links risks to the Australian Government Performance Expectation Framework where relevant. Under the framework, the PHCC must provide the Australian Government with evidence that the PHCC complies with each requirement. The Framework requirements are presented in Appendix 1 and links to the Framework are noted in Table 2.

3. Risks and risk treatment

The key organisational level risks that the Peel-Harvey Catchment Council (PHCC) is likely to face over the next 3 years are listed in Table 2.

Treatment strategies have been recommended for all risks rated as 'High' or 'Extreme'.

Table 2: Key risks to the Peel-Harvey Catchment Council

	Risk	Key link to Strategic Directions & Aus Gov req (AG)	Likelihood	Consequence	Maximal Risk rating	Risk Treatment Strategies	Residual Risk	Responsible Officer
1	Financial Risks (F)							
1.1	Reduction, loss or gap in funding after June 2018 with end of current National Landcare Program (NLP)	Goal 2	Possible	Major	Extreme	<ol style="list-style-type: none"> Continue advocacy to state and federal government and politicians for an institutional funding framework for catchment management (PHCC, 2016). Continue and develop new working relationships with state agencies at a Corporate Executive Level. Pursue alternative revenue streams, including investigating business case for establishment of Deductible Gift Recipient Status. Canvass and pursue new opportunities with industry, corporate and government sectors to broaden access to funding opportunities. 	High	Strategic direction: Board Operations: CEO
1.2	Fraud risks – staff, board members or volunteers misappropriating funds	Goal 1 AG 2.1	Possible	Major	High	<ol style="list-style-type: none"> Ensure staff and Board are inducted in the implementation of, and comply with, Policy 3.1. Purchasing and Procurement, Policy 3.2 Credit Cards, and other financial management policies and procedures. Ensure staff and Board (Including Steering Committee's) operate within the 	Medium	Operations: CEO

Existing or enhance existing action

New or yet to be implemented action

						<ul style="list-style-type: none"> Delegations of Authority policy. Regularly review and update the Delegation Register. 3. Ensure the Finance and Audit Steering Committee meet regularly, and report to the PHCC. 4. Ensure that every annual financial audit reports on the rigour of the PHCC's financial and accounting systems. 5. Ensure the rigour and independence of annual financial audits is maintained. 		
1.3	Recipients of funding - Non-compliance and fraud risks	Goal 1 AG 2.1 AG 2.2	Unlikely	Major	High	<ul style="list-style-type: none"> 1. Risk of non-compliance – assess payment schedule, and need for up-front payments to grant recipients. 2. Risk of fraud - Ensure Project Contracts and Schedules provide multiple opportunities for monitoring and auditing of recipient's performance. 	Medium	Operations: CEO (Project managers)
2	Strategic Risks (S)							
2.1	Performance of Board fails to provide adequate strategic direction, leadership, oversight of governance and an understanding of the inherent 'business we are in' (i.e. NRM for the public good)	Goal 1 AG 1.2 AG 1.5	Possible	Major	High	<ul style="list-style-type: none"> 1. Develop and implement an effective Strategic Reporting System (PHCC, 2016). 2. Ensure selection process of board membership is skills-based and performance is monitored. 3. Institute Board induction process. 4. Participation and input from all board members in the Annual Strategic meeting. 5. Board Members to be actively involved in the Bi-annual update of 'Key Achievements Planned' to meet PHCC Strategic Directions 	Medium	Strategic direction: Board Operations: CEO
2.2.	Performance of CEO fails to provide adequate leadership, sound management of operations and an understanding of the	Goal 1 AG 2.2 AG 2.3	Possible	Major	High	<ul style="list-style-type: none"> 1. Develop and implement an effective Strategic Reporting System (PHCC, 2016). 2. Develop a process to support performance management of the CEO against the PHCC 	Medium	Strategic direction: Board

Existing or enhance existing action

New or yet to be implemented action

	inherent 'business we are in' (i.e. NRM for the public good)					Strategic Directions, or as agreed with the Board.		Operations: CEO
2.3	Policy framework limits the ability to function optimally at strategic and operational levels	Goal 1 AG 1.3	Possible	Moderate	High	1. Review Corporate Policies and Procedures and incorporate into system processes (PHCC, 2016).	Medium	Operations: CEO
2.4	Strategic partnerships overly reliant on long-established and strong personal working relationships.	Goal 2	Possible	Moderate	High	1. Continue to pursue opportunities to strengthen partnerships at an organisational level or Corporate Executive Level (AKM Group, 2014, Rec 12).	High	Strategic direction: Board Operations: CEO
2.5	Reduced, insufficient or narrow community support or engagement in NRM (includes all sectors including LG and industry).	Goal 6 AG 1.3 AG 1.4 – cultural awareness AG 4.1 AG 4.2 AG 4.3 AG 4.4	Unlikely	Major	High	1. Ensure prospective projects have broad community support, ethical and non-partisan criteria and sound realistic objectives prior to development and commencement. Assess prospective projects against regional NRM strategy. Consider developing criteria/framework to assist. 2. Implement the Community Engagement Toolkit, for appropriate projects. Ensure staff are guided through the Toolkit one-on-one at the commencement of each project by the Community Engagement Officer.	Medium	Operations: CEO
2.6	Capability of Landcare groups is diminished over time	Goal 6 AG 4.3	Possible	Moderate	High	1. Maintain and grow partnership projects and support with and for Landcare groups, Landcare centres, other key community groups and local communities.	High	Operations: CEO

Existing or enhance existing action

New or yet to be implemented action

2.7	Organisational reputation is damaged through a single or multiple events, public statements or responses.	Goals 3 & 6	Possible	Major	High	<ol style="list-style-type: none"> 1. Ensure the Chairman and representatives are across business and strategic directions for consistent and accurate statements or responses. 2. Ensure all staff are trained in, understand and adhere to, Policy 4.1. Media and the associated Procedure 'Media and Media Releases'. 	High	Operations: CEO
3	Operational Risks (O)							
3.1	Loss of collective staff expertise and corporate knowledge	Goal 2	Likely	Major	Extreme	<ol style="list-style-type: none"> 1. Continue staff development and successional planning, including building capability and flexibility of staff across projects. 2. Continue to implement an organisation-wide approach to the management of records and information (AKM Group, 2014). 	High	Operations: CEO
3.2	Inadequate staff management leads to staff burn-out, low satisfaction levels or staff under-performance	Goal 2	Possible	Major	High	<ol style="list-style-type: none"> 1. Review, streamline and implement the PHCC Work Plan and Development Agreement process with a view to making it easier to use and more beneficial to staff and the organisation. 	Medium	Operations: CEO
3.3	Project-specific risks result in delays , underachievement, loss or damage, or perverse outcomes or unintended consequences (e.g. delays due to seasonal conditions or project partners, delays in funding agreements, increased fire impact resulting from NRM works, negative environmental impacts from works, risks	Goal 5	Possible	Moderate	High	<ol style="list-style-type: none"> 1. As part of Project Plans, prepare and implement Project Risk Management Plans for all projects. Considerations include due diligence assessments for high risk projects, and contract clauses dealing with limitation of liability 	Medium	Operations: CEO (Project managers)

Existing or enhance existing action

New or yet to be implemented action

	associated with civil works etc)							
3.4	Loss of office premises due to damage or failure to renew lease, or office does not meet requirements	Goal 2	Possible	Major	High	1. Commence Mandurah office lease renewal negotiations with City in (18 months prior to end date), considering likely future requirements.	Medium	Operations: CEO
3.5	Exposure from loss or damage due to accidents or natural disasters	Goal 5	Possible	Major	High	1. Ensure adequate insurance policy cover to complement each new funding contract/project contract and office premises (across all offices).	Medium	Operations: CEO
3.6	Inadequate or poorly performing OHS system results in harm, or risks not adequately managed.	Goal 2 AG 1.1.	Unlikely	Major	High	1. Implement on-line WHS System. 2. Conduct performance review of Online WHS Systems on a bi-annual or as needs basis.	Low	Operations: CEO
3.7	Workers do not adequately carry out their responsibilities under their duty of care, compliance with the PHCC's WHS Management System Manual, and online WHS system.	Goal 2 AG 1.1.	Possible	Major	High	1. Ensure staff are supported and trained to use Online WHS system. 2. Report non-compliances to Governance Steering Committee.	Medium	Operations: CEO
3.8	Insufficient scientific input into organisation's projects and initiatives compromises project integrity	Goal 4	Unlikely	Major	High	1. Secure long-term access for PHCC to scientific advice (PHCC, 2016). 2. Peer review of reports and analysis.	Medium	Operations: CEO
3.9	Contractual risk: the risk of non-compliance with supply contracts	Goal 1 AG 1.1	Unlikely	Moderate	Medium	Note: Managed through insurance –Professional Indemnity.		
3.10	Security of assets: illicit use or theft	Goal 1	Rare	Moderate	Medium	Note: Insurance policies in place to cover theft and damage, and policies are in place to ensure compliance with software licencing requirements.		
3.11	PHCC advocacy work and professional advice impacts on corporate reputation and standing	Goal 3	Unlikely	Major	High	1. Ensure all high risk submissions are peer-reviewed prior to finalisation.	Medium	Operations: CEO

Existing or enhance existing action New or yet to be implemented action

						2. Ensure all submissions are drafted and/or reviewed by Program Manager and CEO.		
3.12	IT and data loss risk	Goal 1	Possible	Moderate	High	1. Track and record all instances of system/data back-up failure. 2. Test and report backup system's performance annually. 3. Conduct a risk assessment and protocol for disaster recovery (e.g. run scenario for server failure).	Medium	
3.13	Inadequate or deficient Industrial relations processes result in non-compliance	Goal 2 AG 1.1	Unlikely	Moderate	Medium			
3.14	Harassment risk, and breaches of privacy risk	Goal 2	Possible	Major	High	1. Ensure all staff are aware of and understand their responsibilities under PHCC Policies relating to ethics, discrimination and harassment.	Low	Operations: CEO
3.15	Safety and security of workers onsite or offsite	Goal 2 AG 1.1	Unlikely	Major	High	1. Mandurah Office- Ensure all staff are aware of and understand their responsibilities. 2. Waroona and Boddington Offices – ensure staff safety procedure is prepared and implemented. 3. Off-site – Ensure workers comply with all relevant work safety processes and procedures, including their responsibilities when travelling out of mobile phone range.	Medium	Operations: CEO
3.16	Safety of volunteers and participants at PHCC events (on-site and off-site)	Goal 6 AG 1.1	Possible	Moderate	High	1. Ensure staff comply with all relevant work safety processes and procedures.	Medium	Operations: CEO

Existing or enhance existing action

New or yet to be implemented action

4. References

Australian Knowledge Management Group Pty Ltd (2014) Governance Review Peel-Harvey Catchment Council, A report by Norbert Vogel to the PHCC, May 2014.

Peel-Harvey Catchment Council (2016) *Strategic Directions 2016 – 2019*, PHCC, Mandurah.

WA Council of Social Service Inc. (2016) *Risk management from a Board's Perspective* (Webinar Powerpoint), Webinar on 9th September 2016; Perth.

5. Appendices

Appendix 1: Australian Government (AG) Performance Expectation Framework (as at 2016)

Regional NRM Organisation Governance		Evidence
1. Organisational Governance		
1.1	The regional NRM organisation is complying with governance responsibilities according to its statutory/incorporation or other legal obligations, including Work, Health and Safety obligations.	
1.2	The regional NRM organisation has a process in place for formally reviewing the performance and composition of the regional NRM organisation's board of directors.	
1.3	The regional NRM organisation has organisational decision making processes that are transparent and communicated regularly with the local community.	
1.4	The regional NRM organisation ensures all staff and board of directors demonstrate Indigenous cultural awareness.	
1.5	The regional NRM organisation has structures and processes in place to regularly communicate organisational and project performance achievements.	
2. Financial Governance		
2.1	The regional NRM organisation is complying with financial responsibilities according to its statutory/incorporation or other legal obligations.	
2.2	The regional NRM organisation is complying with Australian Government NRM contractual obligations for project financial reporting and management, accurately and on time, including acquittal of funding as required.	
2.3	The regional NRM organisation has annual financial reports that are publicly available.	
Australian Government NRM Delivery		
3. Regional NRM plans		
3.1	The regional NRM organisation has a regional NRM plan that provides the strategic direction to NRM activity within the region based on best available scientific, economic and social information.	
3.2	The regional NRM organisation has a regional NRM plan that demonstrates strategic alignment with Australian Government and state/territory NRM policies and priorities.	
3.3	The regional NRM organisation has a regional NRM plan that has been developed with comprehensive and documented participation of the local community.	
3.4	The regional NRM organisation has a regional NRM plan with clear priorities, outcomes and activities to achieve those outcomes.	
3.5	The regional NRM organisation has a regional NRM plan that clearly articulates Indigenous land and sea management aspirations and participation and identifies strategies to implement them.	

4. Local community participation and engagement

4.1	The regional NRM organisation has a current community participation plan and a current Indigenous participation plan.	
4.2	The regional NRM organisation has an established process in place that allows the local community to participate in priority setting and/or decision making.	
4.3	The regional NRM organisation is actively building the capacity of the local community to participate in NRM through funding support for training, on ground projects and related activities.	
4.4	The regional NRM organisation is actively supporting increased participation of Indigenous people in the planning and delivery of NRM projects and investment.	

5. Monitoring, Evaluation, Reporting and Improvement

5.1	The regional NRM organisation is providing comprehensive, accurate and timely project MERI plans and MERIT reporting.	
5.2	The regional NRM organisation is implementing processes to ensure that MERI activities are adequately resourced by appropriately skilled and informed staff.	
5.3	The regional NRM organisation is demonstrating and communicating progress towards NRM project outcomes through regular monitoring, evaluation and reporting of project performance and the use of results to guide improved practice.	