

Risk Management Strategy

Governance Steering Committee Review – August 2020

	Risk	Risk Treatment Strategies	Residual Risk	Responsible Officer	
1	Financial Risks (F)				Status/Comment – discussed at Finance & Audit meeting – 18.9/17
1.1	Reduction, loss or gap in funding after June 2023 with end of current Regional Landcare Partnerships Program under the National Landcare Program (NLP)	1. Continue advocacy to state and federal government and politicians for an institutional funding framework for catchment management (PHCC, 2016).	High	Strategic direction: Board Operations:	Regional Landcare Partnership Agreement secured. Working with NRM WA re 'institutional' or recurrent funding (e.g. bonds/levy).
		2. Continue and develop new working relationships with state agencies at a Corporate Executive Level.		CEO	Ongoing and adequately covered. CEO, Program Managers and other staff and Board meet regularly with agency members and are building and maintaining good relationships across government (at all levels).
		3. Pursue alternative revenue streams , including investigating business case for establishment of Deductible Gift Recipient Status .			Updated Strategic Directions includes "Review our suite of products and services to determine feasibility of alternative revenue streams". Ongoing and adequately covered. Examples include Alcoa Foundation (\$957,000 over 3 years) with PHCC invited to submit for extension (submitted and awaiting confirmation); City of Mandurah Land for Wildlife (\$236,600 over 5 years – contract signed October 2017); Newmont (~\$500,000 over 5 years); Proposal submitted to South32 to match Newmont funding (awaiting confirmation); H-W Local Govts (\$180,000 over 5 years – average \$36,000 p.a.); Election Commitment 1 FTE funding (\$345,000 over 3 years); Election Commitment River Health (\$750,000 over 3 years); Shire of Murray (5 year MOU - \$5,000); State NRM (\$100,000) secured 2020 (awaiting final contract); State NRM (\$224,727) (applied, waiting confirmation). DGR Status has not been further explored. (noting that changes to constitution in line with Assoc. Act appear to incorporate needs of DGR status).

		4. Canvass and pursue new opportunities with industry, corporate and government sectors to broaden access to funding opportunities.			As above
1.2	Fraud risks – staff, board members or volunteers misappropriating funds	<p>1. Ensure staff and Board are inducted in the implementation of, and comply with <u>the PHCC’s Fraud and Corruption Plan (endorsed 20.6.19), relevant policies, including Policy 3.1.</u> Purchasing and Procurement, <u>3.2 Credit Cards, 3.7 Fraud and Corruption, 4.2 Conflict of Interest, 4.14 Whistleblower Policy 3.2 Credit Cards,</u> and other financial management policies and procedures:</p>	Medium	Operations: CEO	<p>This is currently managed through the induction process, <u>with the on-line survey which enables Members, staff and volunteers to easily access and provide a record of those who have Read, Understood and committed to Abide by policies. Modifications have been made to ensure people understand the time involved with completing the process and enabling people to pause and return to the process.</u></p> <p><u>New or modified policies are sent to Members, staff and if relevant volunteers once endorsed by the Board. This is undertaken on an as endorsed process.</u></p> <p><u>A copy of the results of the records of compliance is provided to the As recommended an on line policy process has been developed and implemented and the results will be presented to the Governance Steering Committee on an annual basis–</u></p> <p>Update: – Refer to Fraud Plan (to be considered at Governance Steering Committee 29.8.19 and new policies as endorsed, relevant to this:</p> <p>3.7 Fraud and Corruption (endorsed 20.6.19)</p> <p>4.2 Conflict of Interest (endorsed 20.6.19)</p> <p>4.14 Whistleblower (endorsed 20.6.19)</p>
		2. Ensure staff and Board (Including Steering Committee’s) operate within the Delegations of Authority policy. Regularly review and update the Delegation Register.			<p>Ongoing—refer to Minutes of Meetings for modifications of Delegations. Some delegations to staff are not in place as the CEO has been waiting for the restructure to be in place, and training and support for new Program Managers. We are close to having this in place, pending final project budget approvals.</p>
		3. Ensure the Finance and Audit Steering Committee meet			<p>A minimum of 3 meetings are held a year with minutes provided to the PHCC. Refer to Minutes of Finance and Audit Committee and PHCC meetings.</p>

		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 .			A statement from either the Australian Government Audit, or the Organisational Audit is included within the Annual Report. Refer to Annual Report (back page).
		5. Ensure the rigour and independence of annual financial audits is maintained.			This is managed via recommendation of the Finance and Audit Committee to the PHCC (on an annual basis). Current auditing is VERY rigorous.
1.3	Recipients of funding - Non-compliance and fraud risks	1. Risk of non-compliance – assess payment schedule, and need for up-front payments to grant recipients .	Medium	Operations: CEO (Project managers)	Managed via Steering Committee and ongoing review of process. There is a very stringent process in place to minimise risk. Local Action Grants (<\$1000) were paid upfront as this presents minimal risk. Higher G-g grants are structured in stages to minimise risk. We have a register of people and organisations that present a level of risk and part of the process is to ensure that the register is checked and the risk assessed before entering into another grant process. Government agencies are predominately required to cover costs and are paid on completion to the satisfaction of the PHCC (via onsite inspections and other methods).
		2. Risk of fraud - Ensure Project Contracts and Schedules provide multiple opportunities for monitoring and auditing of recipient's performance.			This is adequately managed through contracts and landholder agreement. Staged payments include site visits to ensure works are completed as per funding agreement, prior to final payments. Refer 1.3.1 also. Note that Kim Wilson now responsible to counter sign all outgoing project contracts.
1.4	Loss of key staff and/or Treasurer	1. Key staff and/or Treasurer are unavailable due to illness or other reason at key times resulting in inability to meet reporting and/or audit timeframes	High	CEO	Redundancy: Treasurer and finance manager. Recommended that procedures be put in place to minimise risk of the Treasurer and/or key staff being unavailable at key times (e.g. audit), and/or that processes are documented to ensure relevant information is available should anyone retire or no longer be available.

					<p><u>With additional support to the Finance Team, Karen and Pat have prepared (and are continuing) a suite of procedures to assist with financial, project budgetting and payroll processes.</u></p> <p>Direct approach to skills for succession plan/ back up etc.</p>

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2	Strategic Risks (S)				Status/Comment – CEO comments
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)	1. Develop and implement an effective Strategic Reporting System (PHCC, 2016).	Medium	Strategic direction: Board	<p><u>Please note 2019 Comments:</u></p> <ul style="list-style-type: none"> • No additional new systems are required, however the CEO to include a graphic representation of whole of project life expenditure as part of the regular Steering Committee Meeting framework (pending). • Members to review and actively learn their way around the new website to keep informed and support and mentor each other with managing their personal time for PHCC commitments (complete). • The CEO to arrange a training session on the new website, including the Members Pages (complete).
		2. Ensure selection process of board membership is skills-based and performance is monitored.		Operations: CEO	<p>Adequately covered via nomination process (continually refined), independent panel process, and consideration by Board before appointment.</p> <p><u>Please note 2019 Recommendation: Performance is monitored via performance framework – how often would Members like this undertaken?</u></p> <p><u>How do you follow and address the outcomes of the review?</u></p> <p><u>Sub</u>-group to review the comments and bring the comments back to Governance Steering Committee – we need to respond to the comments.</p> <ul style="list-style-type: none"> • Address the previous evaluation before doing another one • Have sub Committee (Amanda, Sue) chaired by Caroline to review the previous evaluation comments and (after October) look at meeting to review the previous evaluation • Recommends 2 yearly evaluations • Evaluation form says - Formal feedback will be provided annually by Chairperson
		3. Institute Board induction process.			This is in place. Information/training is an ongoing priority (refer to training register, Board minutes etc.). <u>We continue to improve this process.</u>

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		4. Participation and input from all board members in the Annual Strategic meeting.			All members are encouraged to support each other to focus strategies that are aligned with our core values and in accordance with the objectives of the PHCC constitution.
		5. Board Members to be actively involved in the Bi-annual update of 'Key Achievements Planned' to meet PHCC Strategic Directions			As above.
2.2.	Performance of CEO fails to provide adequate leadership, sound management of operations and an understanding of the inherent 'business we are in' (i.e. NRM for the public good)	1. Develop and implement an effective Strategic Reporting System (PHCC, 2016).	Medium	Strategic direction: Board	This is reported on bi-annually against 'key achievements planned'.
		2. Develop a process to support performance management of the CEO against the PHCC Strategic Directions, or as agreed with the Board.		Operations: CEO	Board support and involvement is generally very good, particularly via sub-committees. Members input is variable but genuinely feel the operations team have the support of the Board. Exec Group support is appreciated by the CEO.
		3. Establish a process to minimise impacts , should the CEO depart the PHCC			Please note 2019 Comments: <ul style="list-style-type: none"> Look at strategy to address short and long term risks of the CEO being unavailable for unforeseen / planned circumstances and/or departure from the PHCC.
2.3	Policy framework limits the ability to function optimally at strategic and operational levels	1. Review Corporate Policies and Procedures and incorporate into system processes (PHCC, 2016).	Medium	Operations: CEO	The Policy review is complete and an effective system is in place to ensure policies are in place, read and understood. Refresher processes have been put in place. <u>Policy reviews have been streamlined to every 2 years. Miscellaneous updates/modifications are presented to Board on an as needs basis (and then their review is aligned with the next 2 yearly review).</u> —how often would SCommittee recommend review suite of policies?— e.g. every 2 years?
2.4	Strategic partnerships overly reliant on long-established and strong	1. Continue to pursue opportunities to strengthen partnerships at an organisational level or	High	Strategic direction: Board	We have been very effective at this and plan to continue.

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	personal working relationships.	Corporate Executive Level (AKM Group, 2014, Rec 12).		Operations: CEO	
2.5	Reduced, insufficient or narrow community support or engagement in NRM (includes all sectors including LG and industry).	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.	Medium	Operations: CEO	This is in place and is managed via the Prioritisation Steering Committee and prioritisation processes. Our Noongar participation plan and processes involve Noongar participation in planning projects.
		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.			In place to varying degrees of effectiveness. This continues to be difficult as some team members do not appreciate the role of <u>our formalised engagement toolkit and are more embracing of an organic engagement process. The CEO will need to work with the Program Managers to review this toolkit to determine if it can be made more user friendly for the team. Where engagement frameworks are in place (e.g. NLP projects), they are being used to varying degrees of effectiveness and 'push back' or fail to do this to the degree desired. Various structures of communications officer have demonstrated that it is most effective to have officers who are familiar with their projects work with senior officers skilled in this area, rather than consultant or casual communication officers.</u>
2.6	Capability of Landcare groups is diminished over time	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	<u>The team actively work with our Landcare Groups and engage and support wherever possible. We have various levels of support e.g.:</u> <ul style="list-style-type: none"> - <u>Auspice agreement with HRRT (value ~\$15,000 p.a.)</u> - <u>Secured funding for capacity support (awaiting contract from State NRM)</u> - <u>Extend technical support, training opportunities etc.</u> - <u>Have seconded Landcare SJ officer 2 days a week for 2020</u> - <u>Have delivery contracts in place</u>

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					<p>- Supporting smaller groups (without employees via technical support, grants, sponsorship etc.)</p> <p>We keep in close contact and have good solid and productive relationships with our groups. Ensure that we communicate to our Landcare groups the change in our ability to financially support them to deliver shared objectives, as per our NLP1 contract, with an aim to reduce any risks to our reputation, should Groups feel that they are now adequately supported.</p> <p>Good relations with Landcare SJ; Waroona Landcare & HRRT – all are vulnerable to funding changes with Landcare SJ being the most secure thanks to arrangement with Shire of SJ.</p> <p>Jane – add some more around layers of onion groups – important to capture-</p>
2.7	Organisational reputation is damaged through a single or multiple events, public statements or responses.	1. Ensure the Chairman and representatives are across business and strategic directions for consistent and accurate statements or responses.	High	Operations: CEO	<p>The PHCC continue their robust recruitment process to ensure appropriately skilled and experienced people are employed and that project plans are in place, with clear responsibilities, overseen with the support of Steering Committee's Committees.</p>
		2. Ensure all staff are trained in, understand and adhere to, Policy 4.1. Media and the associated Procedure 'Media and Media Releases'.			This is in place.

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3	Operational Risks (O)				Status/Comment
3.1	Loss of collective staff expertise and corporate knowledge	1. Continue staff development and successional planning , including building capability and flexibility of staff across projects.	High	Operations: CEO	Staff development is consistent and regular (refer training register). Actively supporting up-skilling and challenging staff. Actively looking at succession planning. <u>We have a diversity of ages across the team and are providing career and skills development opportunities to build capability. ,noting that some key staff are having discussions re ‘transitioning to retirement’</u>
		2. Continue to implement an organisation-wide approach to the management of records and information (AKM Group, 2014).			<u>This is in place. A huge task but C-complete and now in being maintained mode.</u>
3.2	Inadequate staff management leads to staff burn-out, low satisfaction levels or staff under-performance	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	The team is managing large workloads <u>and COVID-19 has impacted on the team. The and the</u> Work Plan and Development Agreement process <u>is not consistent and we are looking at career development plans. The CEO will be addressing this in the 2021 calendar year, with a trial being undertaken in September 2020.</u> <u>It can be difficult to get some staff (not all!) to take holidays and breaks other than across the Christmas/January timeframe. The team are very dedicated and constant project delivery deadlines and reporting put additional pressure when people are preparing for holidays.</u> <u>A process has been established which provides all program managers and CEO access to monitor leave so that people are reminded to ensure they, and their teams are taking breaks/holidays.</u> <u>Once COVID restrictions are lifted it is anticipated that there will be an increase in requests for longer times for leave, particularly for those (e.g. CEO, who deferred Long Service Leave), has fallen away somewhat, and not all staff have had their agreement processes maintained. Staff don't embrace this process and we need to ensure approach is positive and not seen as a “performance review” — but a shared understanding/learning process.</u>

					<p>Comment – staff training opportunities – good to ensure all staff training opportunities – recognise the sector has a culture of “busy” is the culture –</p> <p>How to protect staff from burn out? Training – holidays – keep eye taking leave –</p>
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 associated with civil works etc)	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)	<p>Risk Management Plans are made, to various forms of detail, before projects are entered into.</p> <p>There are risks associated with delivering projects with some partners. Risk management needs to be robust, including risks in commencing projects/ agreements with various project partners. Ensure good processes are in place, sound record keeping and involvement of correct people (supervisor and Board members). Any concerns need to be elevated to the CEO via correct channels to ensure that prompt action is taken, where necessary.</p> <p>There are some organisations (and similar) that the PHCC should avoid working with. These are known by the CEO and will influence the commencement of new projects / partnerships to reduce risks.</p>
3.4	Loss of office premises due to damage or failure to renew lease, or office does not meet requirements	1. Commence Mandurah office lease renewal negotiations with City in (18 months prior to end date), considering likely future requirements.	Medium	Operations: CEO	<p>Complete.–We have a lease with the City of Mandurah to September 2022. The CEO would like to enter into discussions with the City in the near future re possible extensions to the building, if we can secure a further 5 + 5 year lease arrangement.</p> <p>The Hotham-Williams team is continuing to operate from the CRC, <u>under a lease</u> and has an assurance of the Shire of Boddington, that alternative accommodation will be made available should the CRC arrangements falter.</p> <p>Waroona Landcare continues to provide security of premises for some staff but we are working with the blessing of the Waroona CEO, on a 5 year MOU to formalise this.</p> <p>Comment – worth discussion re long term – can we quarantine – would we buy it ? discussion with CoM – any chance to purchase the site – expansion and ongoing requirements</p>

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3.5	Exposure from loss or damage due to accidents or natural disasters	1. Ensure adequate insurance policy cover to complement each new funding contract/project contract and office premises (across all offices).	Medium	Operations: CEO	<p>A review of insurance was undertaken (<u>4 June, 2020</u>) by the <u>Operations team with the Governance Steering Committee</u>. <u>We have a new broker and have modified some of our insurances, resulting in cost savings and greater assurance of appropriate cover.</u></p> <p><u>The Committee noted the information provided by the insurance consultants, and acknowledged that it was generally comfortable that the level of insurance cover provided adequately covered the risks of the PHCC. On 31 July, the insurance broker renewed all our policies to ensure continuity based on the existing level of cover that was in place.</u></p> <p><u>Details of the options/additions discussed by the Committee remain outstanding at this point in time. Once received, a concise summary of the recommendations will be presented to the Governance Committee (out of session), and for final determination by the Executive Group in collaboration with the CEO as to whether our existing policies require to be altered.</u></p>
3.6	Inadequate or poorly performing OHS system results in harm, or risks not adequately managed.	1. Implement on-line WHS System .	Low	Operations:	<p>This is in place. We have now appointed dedicated 1 day / week officer and processes are commencing well. The on line system has some challenges but these are process issues that do not impact on people's safety. We have commenced an in-depth review of our WHS system. A gap analysis has been prepared (September 2020) and high priority actions have commenced. Modifications to the system and processes have commenced and training will be provided. Gene Turner (Program Manager, PHCC) is undertaking this process, across all operations and places of work.</p>
		2. Conduct performance review of Online WHS Systems on a bi-annual or as needs basis.		CEO	As above.
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.	1. Ensure staff are supported and trained to use Online WHS system and all PHCC WHS policies and procedures .	Medium	Operations: CEO	<p>This is in place (refer 3.6.1)</p> <p>The CEO would like a more regular review system in place (to ensure staff remain up to date with all WHS requirements) and aims to put this in place in 2020.</p>
		2. Report non-compliances to Governance Steering Committee.			There are no non-compliances to report.

Commented [JO1]: Leanne – please update this with what is happening with Sam and the review – thanks

3.8	Insufficient scientific input into organisation's projects and initiatives compromises project integrity	1. Secure long-term access for PHCC to scientific advice (PHCC, 2016).	Medium	Operations: CEO	In place. We have secured a further 3 years funding to secure the Science Advisor position and RLP funding has allowed the recruitment of a Wetlands Science Coordinator. The City of Mandurah has contributed \$20,000 and we are endeavouring to get an MOU in place for future years.
		2. Peer review of reports and analysis.			This is managed via Science Advisor position on an as needs basis
3.9	Contractual risk: the risk of non-compliance with supply contracts	Note: Managed through insurance			<p>Refer 3.5.1 – Professional Indemnity.</p> <p>Action: Jane to send Insurance Review – how do we tell Board Members that they are adequately covered ? if we have 6 meetings then perhaps we have each meeting dedicated to a particular issue, e.g. policies – insurances – governance etc. etc. to cover.</p> <p>Action: – Insurances – talk to Marilyn if she is okay for it to come under governance steering rather than treasurers report</p> <p>-Need board to understand what insurances we have and show we are adequately covered.-R</p>
3.10	Security of assets: illicit use or theft	Note: Insurance policies in place to cover theft and damage, and policies are in place to ensure compliance with software licencing requirements.			<u>Refer 3.5.1</u>
3.11	PHCC advocacy work and professional advice impacts on corporate reputation and standing	1. Ensure all high risk submissions are peer-reviewed prior to finalisation.	Medium	Operations: CEO	We will peer review where/when deemed necessary.
		2. Ensure all submissions are drafted and/or reviewed by Program Manager and CEO.			This is our practice.
3.12	IT and data loss risk	1. Track and record all instances of system/data back-up failure.	Medium		This is covered with the I.T. contract.

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		2. Test and report backup system's performance annually.			This is in place under new contract with new IT provider.
		3. Conduct a risk assessment and protocol for disaster recovery (e.g. run scenario for server failure).			This is in place under new contract with new IT provider.
3.13	Inadequate or deficient Industrial relations processes result in non-compliance	1. —			Action: — Remove this — we are compliant with the law — risk is not being aware of obligations
3.14	Harassment risk, and breaches of privacy risk	1. Ensure all staff are aware of and understand their responsibilities under PHCC Policies relating to ethics, discrimination and harassment.	Low	Operations: CEO	In place – linked to new electronic policy system <u>and embedded into culture and mentoring and leading by example.</u>
3.15	Safety and security of workers onsite or offsite	1. Mandurah Office- Ensure all staff are aware of and understand their responsibilities.	Medium	Operations: CEO	This is covered in induction and reiterated regularly, e.g. at weekly stand-up meetings issues are raised etc. Team are very good at this.
		2. Waroona and Boddington Offices – ensure staff safety procedure is prepared and implemented.			A review of processes for external offices is to be undertaken. Boddington has a new procedure in place. We <u>are need to review this with going through process with</u> Waroona <u>Landcare office (where our officers work from time to time).</u>
		3. Off-site – Ensure workers comply with all relevant work safety processes and procedures , including their responsibilities when travelling out of mobile phone range.			<u>Refer 3.5.1 This is in place but being reviewed with newly established WHS team. This is quite complex to determine balance of safety for on-site visits vs too risk adverse and impacting on roll-out of projects — ongoing discussions to get to an organisational stance on e.g. lone site visits.</u> <u>SPOT process — training — R</u>

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3.16	Safety of volunteers and participants at PHCC events (on-site and off-site)	1. Ensure staff comply with all relevant work safety processes and procedures.	Medium	Operations: CEO	This is high priority and all events staff etc. have training and monitoring against this. WHS group also reviewing this to ensure everyone is updated and across responsibilities on a regular basis.
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