

Risk Management Policy

1 Purpose

This policy outlines the structured approach taken by Greater Shepparton Lighthouse Project (GSLP) to manage risk across the organisation.

2 Scope

This Policy applies to all GSLP employees, volunteers, Board members, interns, trainees, contractors, consultants, and other workers, both paid and unpaid (henceforth referred to as GSLP workers).

3 Introduction

GSLP acknowledges that it has an obligation to the community to:

- Provide a safe environment with reasonable protection from harm for all stakeholders;
- Manage its financial resources in a responsible manner;
- Comply with all legislation relevant to the agency's activities; and
- Maintain and protect its physical assets.

All GSLP workers are required to undertake risk management in order to minimise losses and maximise opportunities. This will provide:

- An environment that promotes appropriate risk taking;
- Protection against accidents causing personal injury and property damage;
- Planning to reduce or control foreseen or unexpected costs;
- An ability to identify and respond to risk in a manner which maximises opportunities;
- Sound insurance management practice; and
- Protection of assets from planned and unplanned events.

The intended outcomes of risk management at GSLP include:

- The establishment of a robust risk management framework and process which enhances the GSLP's ability to meet its objectives;
- Improved organisational awareness and management of risk;
- Acknowledgement that risks are an integral part of managing any organisation; and
- Organisational and individual preparedness to manage risk and minimise any adverse impacts.

4 Risk management framework

GSLP’s risk management framework, in conjunction with other quality improvement activities, will improve decision-making, performance, accountability and enhance outcomes.

4.1 Adoption and communication of a common process for risk management

A common process for the management of risk throughout the organisation is based upon and modified from the Australian Standard Risk Management – Principles and Guidelines (AS/NZS ISO 31000-2018). This approach comprises a central process for the identification, analysis, treatment and monitoring of risk.

All GSLP workers are informed of their obligations with regard to the risk management process as part of their induction to GSLP. This will particularly include the identification and reporting of actual or potential risks.

4.2 Communication and role delineation regarding the risk management process

Roles and responsibilities associated with the risk management process are incorporated into the appropriate position descriptions and outlined below:

<i>GSLP Board</i>	<ul style="list-style-type: none"> • Provides direction and oversight of risk management processes; • Approves risk management documentation or processes such as strategic risk profile, risk appetite and tolerance levels, risk management policy, procedures and guidelines; • Monitors the management of high and significant risks and the effectiveness of controls.
<i>Executive Officer</i>	<ul style="list-style-type: none"> • Reviews key risk information; • Identifies trends; • Assesses organisational impact; • Monitors or manages high and significant risks; • Ensures that adequate processes are being followed and appropriate controls are in place.
<i>Managers</i>	<ul style="list-style-type: none"> • Identifies, analyses and documents risks in the Risk Register at a program level and in accordance with their level of accountability; • Review risks at least 6-monthly as part of team meetings; • Identifies where current control deficiencies may exist; • Updates and reports risk information as required.

4.3 Establish the context

The context in which the risk is analysed and managed is determined through consideration of the agency's strategic goals and objectives, the internal and external environment, and the various stakeholders involved or affected.

4.4 Identification of risks

All GSLP workers are responsible for identifying risks. The Executive Officer and Managers are responsible for the establishment of processes to appropriately identify risks within their area of responsibility.

Means of identification may include:

- **Retrospective** methods such as incident report, via complaints, customer surveys or audit processes
- **Prospective** methods such as via SWOT analysis, needs analysis, focus groups, scenario analysis, operational modelling.

Information regarding risks is documented in the Risk Register.

Quality and risk management is discussed as a standing item for all program meetings.

4.5 Analysis of risks

Following identification, risks are analysed to consider the possible risks, sources or factors contributing to risks, controls in place, the consequence of the risk occurring and the likelihood that it does so.

The Risk Rating scales are applied to determine the level of risk based upon the consequence and likelihood and in the context of existing controls to prioritise risks.

Information regarding the analysis of the risk is documented in the Risk Register.

4.6 Evaluating risks

Risk evaluation determines whether the risk is as low as reasonably practicable and is tolerable or not.

Decisions regarding tolerance levels and consideration of treatment levels are determined by the relevant workers in accordance with the level of responsibility or accountability as contained in position descriptions. The evaluation process also allows risks to be prioritised.

Information regarding additional control or treatment options, recommended further action and priority level is documented in the Risk Register. High priority risks are then documented in the Risk Treatment/Action Plan which is reported to the Executive Officer and Board.

4.7 Risk treatment

Options for the treatment of risks must be considered and may include:

- **Risk avoidance** where it is deemed that control measures do not exist or do not reduce the risk to an acceptable level and that the activity should not proceed.
- **Changing the likelihood of the occurrence** to increase the likelihood of beneficial outcomes or reduce the likelihood of negative outcomes.
- **Changing the consequences** to increase the size of gains or to reduce the size of losses if the event in question occurs.
- **Transfer or share the risk** via insurance, contracts or partnerships.
- **Retain or accept the risk** if the level of risk is deemed acceptable once reduced via controls or transferred.

Consideration of treatment options, preparation of recommendations and decisions regarding actions and resource allocations are made by Managers or the Executive Officer in line with their delegated level of responsibility.

Decisions regarding actions required, responsibility, timelines and further monitoring are documented in the Risk Treatment/Action Plan and reported to the Executive Officer and Board monthly.

4.8 Documentation, monitoring and review

Risk Registers are maintained by Managers in each program area and are reviewed and updated at least 6-monthly.

Risk Treatment/Action Plans are maintained centrally by the Executive Officer and contain the risk items deemed as higher priority and requiring more immediate action.

Progress against items within the Risk Treatment/Action Plan must be reported to the Executive Officer monthly by the person allocated responsibility. This progress is also reported to the Board by the Executive Officer.

Responsibility for ongoing risk monitoring should be allocated and documented. This may occur via:

- Internal or external audit
- Program evaluation mechanisms
- Organisational policy and process review
- Physical inspections or program checks

5 Related documents

- Australian Standard Risk Management – Principles and Guidelines (AS/NZS ISO 31000-2018)

6 Document history

Version	Date approved	Summary of changes	Approved by	Version author	Next review date
1.0	April 2018	New policy	GSLP Board		April 2019
2.0	Feb 2024	Review of existing policy	GSLP Board	HR Consultant	Feb 2026