



Bangalow Koalas Inc. Risk Management Policy 2021



Background

This Risk Management Policy is Bangalow Koalas Inc. commitment that its structure, activities and operations are conducted in accordance with the principles of legal compliance, probity, transparency, accountability and respect for staff, volunteers and contractors within the organisation: together with our broader community of stakeholders and the environment.

Policy Objective

That the organisation identifies and manages risks arising through its activities and operations in a systematic and cost-effective manner.

Bangalow Koalas Inc. notes that while it cannot eliminate all risks from its activities and operations, it can take active steps to prevent or minimise the likelihood, level and impact of risk by following a Risk Management Policy.

Definitions

Risk is the possibility or likelihood of something happening which may have a negative impact on the organisation's capacity to deliver on its strategic and operational plans and commitments.

Risk management is the process used to identify, evaluate then either avoid, reduce, transfer or control risks.

Risk Management Policy is the listing and execution of a series of procedural steps that have the effect of contextualising, identifying, assessing and where appropriate, mitigating the effects of risk on the successful achievement of the organisations plans and activities.

Procedure

Step 1. Analyse the context

Consider the environment in which the organisation operates to establish the domain boundaries in which risks must be managed.

Domains may be, but not limited to Regulatory, Legal, Financial, Record Keeping, Privacy, Safety and or, Reputational in nature.

A domain may be associated with a specific project goal or outcome desired by the organisation.

The nomination of each domain for which risk must be managed shall be recorded in the Minutes of the organisation and upon a Risk Register to be maintained by the organisation.

Step 2. Identify the risks

Identify the risk or risks (what can go wrong) that may arise from all aspects of the domain outlined in Step 1 with specific reference as to how that risk might impact on the successful achievement of an organisation plan or activity.

The risk is entered onto the Risk Register.

Step 3. Evaluate the risk

Risk is evaluated typically along two dimensions:

- Likelihood or probability of the risk event occurring, and
- Consequence or severity from the event occurring

It is the combination of these two factors that typically yield a Risk Rating for the event the priority for the risk to be addressed or the nature of the mitigation to be attempted.

Likelihood can be determined simply as Rare, Likely or Very Likely with matching Consequence scale from Minor, Medium and Major.

Using this combination of Likelihood and Consequence could yield: A Risk Rating as follows

Risk Assessment Matrix

Risk Score = Consequence x Likelihood

LIKELIHOOD	CONSEQUENCE		
	MAJOR (A) Permanent injury or fatality, high financial loss, significant property or equipment damage long term environmental harm	MODERATE (B) Lost time injury or restricted capacity for work injury, medium financial loss, medium property or equipment damage, short term environmental harm	MINOR (C) First aid or medical treatment only injury, low financial loss, minimal property or equipment damage, no environmental harm
LIKELY (1) Could occur frequently	High Risk	High Risk	Medium Risk
MODERATE (2) Could occur occasionally	High Risk	Medium Risk	Low Risk
UNLIKELY (3) Could occur at some time	Medium Risk	Low Risk	Low Risk

Legend:

Low Risk: Acceptable risk and no further action required as long as risk has been minimised as much as possible

Medium Risk: Further action required to minimise risk

High Risk: Unacceptable risk and further URGENT attention required to minimise risk

Recommended Corrective Actions for Identified Hazards

Hazard identified	Corrective Action Required	Risk Rating	Management Approval	Person Responsible	Target Completion Date	Date Completed

Workplace Inspection Closed

A workplace inspection can only be closed once the corrective actions have been implemented and monitored.

Name	Position	Signature	Date

Step 4. Manage the risk

The organisation will need to determine one of the following options to mitigate the risk:

- **Avoid the risk.** The organisation might decide on a different course of action rather than take the risk involved in the original course of action.
- **Transfer the risk.** The organisation might shift responsibility for the risk to another person or organisation (eg. take out insurance against the risk).
- **Reduce the risk.** The organisation might reduce the likelihood or consequence of the risk by adopting an alternate strategy eg. more resourcing, different skill set, close monitoring etc.
- **Accept the risk.** If all other options are not available to the organisation, they might decide to accept the risk but put in place policies and procedures to manage the consequences.

Again, the action to be undertaken and responsibility for executing the action is recorded in the Risk Register.

Step 5. Monitor and review

At the conclusion of any activity for which a Risk Management approach has been determined: an “after action” review should be undertaken so as to determine the efficacy of the Risk Management Policy and as necessary points for improvement.

Just as the requirement for Risk Management has been identified and recorded in the Minutes of the organisation for a given activity so too the requirement for an “after action” review and completion of that review.

Addendum 1 Risk Register Format

Each entry in the Risk Register shall contain the following entries

Activity or Outcome. For which a Risk Registry Entry is to be maintained

Risk Identification. This responds to the questions “what risk have you identified? And what might be the consequence of that event happening”

Risk Entry Date. The date upon which a Risk was identified is recorded.

Likelihood. Dependent on the rating scale agreed upon an entry is recorded. If no “likelihood” has yet been established then an entry of “N” (none) must be recorded and treated as highest likelihood.

Consequence. Dependent on the rating scale agreed upon an entry is recorded. If no “Consequence” has yet been established then an entry of “N” (none) must be recorded and treated as the highest consequence.

Risk Rating. Dependent on the rating scale agreed upon an entry is recorded. If either “likelihood” or “consequence” is “N”, then the Risk Rating must be recorded as the most severe for the rating scale selected and the only Mitigation permitted is “Resolve Risk Rating”.

Mitigation. The mitigation strategy to manage the risk is identified. This responds to the question “What shall we do about it?”

Responsibility. This responds to the question “who should do it?”

Action Date. This responds to the question “by when?”

Status. This entry responds to the question “has it been fixed and if so when?”

The Risk Register shall be a permanent register of Bangalow Koalas Inc.

Authorisation

This version was approved on: 27th January 2021

This version takes effect on: 4th February 2021

Authorised by: Linda Sparrow

President: Linda Sparrow

President or responsible person signature:

A handwritten signature in black ink, appearing to read "Linda Sparrow", is written over a horizontal line.