

## Template: Risk Management

Risk is a normal part of developing and delivering a service. One of the key functions of the committee and staff is to understand the risks faced by the organisation, and to facilitate the management of these risks. In order to manage risk you need to conduct risk assessments on a regular basis in accordance with a risk management procedure. To begin, fill in the Risk Management Checklist, rating the risks to the following categories:

- Potential: A (almost certain), B (likely), C (Moderate), D (unlikely), E (rare)
- Impact: A (catastrophic), B (major), C (moderate), D (minor), E (insignificant)

Use the Risk Management Matrix to plot the 'Potential' and 'Impact' scores.

For risks identified in the matrix as 'Crucial' or 'Action Advised', prepare risk management strategies for them. The following are some suggested strategies that may be adopted to manage these risks. List the crucial and action advised risks in a table and match them with a proposed management strategy, such as:

1. Policies and procedures on matters such as management, director recruitment and selection, code of conduct, volunteer management, grievance procedures, privacy policy, OH&S, discrimination, delegations of authority;
2. Job descriptions and guidelines;
3. External review/audit of operations;
4. Continuous improvement procedures;
5. Checklists to assist in identifying the risk of a project;
6. Suggestions on techniques for complying with contracts;
7. Compliance schedule of possible legislation and best practice compliance measures;
8. Work instructions;
9. Professional development;
10. Risk identification and reporting procedures.

## Risk Management Checklist

Financial Risks		Potential	Impact
1.	Liquidity and cash flow risk: not enough funds to cover expenses at any point in time		
2.	Revenue source risk: overly reliant on funding one source of funds		
3.	Fraud risks: staff or volunteers misappropriating funds		
Strategic Risks		Potential	Impact
1.	Changes in funding body rules for distributing funds for programs		
2.	Inadequate management by managers leading to unclear strategic direction		
3.	Inadequate managerial role in risk leading to little emphasis on risk management		
4.	Drop in member numbers		
5.	Lack of support at events		
6.	Burnout of committee/staff		
7.	Old/no strategic plan		
Hazard Risks		Potential	Impact
1.	Occupational Health and Safety risk		
2.	Facility risks with old and or unsafe facilities not suited for your activities		
3.	Security of participants		
Operational Risks		Potential	Impact
1.	Lack of succession planning for staff		
2.	Lack of accounting and financial control practices		
3.	Risk of non-compliance with contracts, especially funding contracts		
4.	Risk of non-compliance with legislation that affects your organisation		
5.	IT and data loss risk		
6.	Employee termination leading to disputes		

7.	Not transferring knowledge to other staff so cross skilling can occur		
8.	Intellectual property and copyright risk of losing control over materials you have developed or use		
9.	Privacy risk leading to a breach of privacy		
10.	Harassment risk		
11.	High turnover of staff		
12.	Inability to pay competitive wages		
13.	Inadequate insurance and public liability covers, no board insurance		
14.	No job descriptions and guidelines for staff		

### Risk Management Matrix

