Lord Somers Camp
and Power House

3. Risk Management Policy and Procedure

Summary

Lord Somers Camp and Power House (LSC&PH) Boar and CEO will ensure that the organisation has systems and processes in place to identify risks and control these to a reasonable and acceptable level.

All LSC&PH internal stakeholders are expected to ensure that they are familiar with their responsibilities and obligations under this policy and take necessary steps to ensure that they are able to do so or notify the CEO or suitable delegate if unable to do so.

Policy Statement

Lord Somers Camp and Power House (LSC&PH) recognises the need for risk management to feature as a consideration in strategic and operational planning, day-to-day management and decision making at all levels in the organisation.

LSC&PH is committed to managing and minimising risk by identifying, analysing, evaluating and treating exposures that may impact on the organisation achieving its objectives and/or the continued efficiency and effectiveness of its operations. LSC&PH will incorporate risk management into its institutional planning and decision-making processes. Risk management must also be included as a consideration in sectional and operational planning as a delegated line management responsibility. LSC&PH staff must implement risk management according to relevant legislative requirements and appropriate risk management standards.

LSC&PH is committed to ensuring that all staff, particularly those with management, advisory and decision making responsibilities, obtain a sound understanding of the principles of risk management and the requisite skills to implement risk management effectively.

LSC&PH will regularly monitor and review the progress being made in developing an appropriate culture of risk management and the effective implementation of risk management strategies throughout the organisation as a basis for continuous improvement.

Scope

This Policy and Procedure applies to all areas of LSC&PH's work and includes:

- all camps, programs and activities

- all locations, including the office and those hired by the LSC&PH from time to time

- facilities provided for hirers

- activities undertaken by hirers

- asset management and maintenance

- planning for infrastructure and development

- administration

- marketing, education, and information provision

The areas of LSC&PH that risks need to be managed in include:

- Objectives – to ensure that we are meeting the aims of our programs, and our Mission, Vision and Values

- Health and Safety – of members, staff, participants, hirers, and contractors

- Budgets – to provide oversight and accountability for programs and events

- Finance – to ensure the organisation is sustainable

- Legal and Compliance – so the organisation meets its obligations

- Reputation – to ensure the organisation is well-regarded

- Environment – to minimise the impacts of our activities on the environment

- Human Resource / Workforce – to ensure that we have sufficient numbers of people, with the required skills, knowledge and personal attributes required to achieve organisational outcomes.

Operating Principles

Operating principles that support this risk management policy are summarised below.

- Identify all strategic risks
- Ensure risk management becomes part of day-to-day management
- Provide staff and executive teams with the procedures necessary to manage risks
- Ensure staff and volunteers are aware of risks and how to manage them
- Monitor our strategic risk profile and implement a continuous improvement approach to risk management
- Ensure all executive teams and staff are trained in risk management and use the risk assessments to conduct their operations and carry out their programs and activities
- Ensure all risk management policy and procedures comply with relevant statutory requirements

Definitions

Employee	Any person employed by Lord Somers Camp and Power House.
Executive Team	A leadership team for a specific LSC&PH program or activity. Specific

	members/ roles of an Executive Team are at the discretion of the Program or Activity Leader.
ISO31000	The International Standards Organisation (ISO) Standard for risk management. LSC&PH utilises the structure provided by this Standard in its approach to risk management.
Job Safety Analysis (JSA)	A process in which each basic step of a particular job is analysed to identify potential hazards and to recommend the safest way to undertake it.
Leader	Any person (paid or unpaid) over the age of 18 who is responsible for the control and safety of members/volunteers placed in their care whilst holding a formal position in Lord Somers Camp and Power House. A leader could include but is not limited to: • Camp Leaders • Deputy Camp Leaders • Executive Officers • Programs Leader • Slushie King and Slushee Queen • Heads of Departments
Member	Any person who has a current membership subscription to LSC&PH, including various life memberships, term membership or honorary life membership.
OHSAM	Occupational Health and Safety Action Management system
Participant	Any person who attends an LSC&PH program as a participant or a grouper.
Risk	The chance of something happening that will have an impact upon objectives (gaining or losing something of value). The concept of risk has three elements: • The **perception** that something could happen • The **likelihood** of something happening • The **consequence** if it happens The level of risk is the combination of the likelihood of a risk occurring, and the consequences if it does occur. Action taken to manage or treat the risk will need to address the likelihood of any event occurring, or the consequences if it does occur, or both.

	While it is not possible to have a totally risk-free environment, it may be possible to treat / control risk by avoiding, reducing, transferring, or accepting the risks.
Risk appetite	The amount of risk that an organisation is willing to take in order to meet its strategic goals. It shows the organisation's hunger to take risks depending on the reward. In practice, it is not possible to quantify hunger, therefore you can grade the risk appetite of an organisation from low to high.
Risk assessment	The process used to determine risk management priorities by evaluating and comparing the level of risk against predetermined acceptable levels of risk.
Risk management	The systematic application of management policies, procedures, and practices to the tasks of identifying, analysing, assessing, treating and monitoring risk.
Risk management plan	A document which outlines the method, process and tools used to manage risks.
Risk profile	Threats to which an organisation is exposed. The risk profile will outline the number of risks, type of risk and potential effects of risks. This allows a business to anticipate additional costs or disruption to operations. Also describes the willingness of a company to take risks and how those risks will affect the operational strategy of the company.
Risk register	A tool used to track risks. Can be incorporated into a risk management plan.
Risk threshold	The amount beyond which an organisation does not want to tolerate the risk. It can be described as an acceptable value (or a quantified limit).
Risk tolerance	The willingness of an organisation to accept or avoid risk. It can be described as an acceptable variance percentage.
Volunteer	Any non-member who attends LSC&PH activities as a member of the camp's staff under direction of a Camp Leader.

Responsibilities

Board	• Ensure appropriate processes and documents are in place to manage risks • Monitor risks and risk management strategies

	• Direct CEO/Finance/Environment/OHS/Risk Committees to develop relevant documents and processes and provide updates at each board meeting • Raise risks for consideration and management • Approve the Risk Management Policy and establish their risk appetite, thresholds, and / or tolerance. • Be satisfied that strategic risks are identified, managed, and controlled appropriately. • Appoint the Risk Committee and monitor their work.
Risk Committee	• Review and update the risk management plan • Provide advice on risk management to the Board, CEO and committees • Monitor risks and controls • Raise risks for consideration and management • Develop risk mitigation plans and implement risk reduction strategies. • Oversee the Risk Management Policy and review the mechanisms in place to comply with the Policy. • Monitor the systems and process via LSC&PH's risk profile and consider the risk profile when developing and implementing any internal governance audits. • Consider the adequacy of actions taken to ensure that the risks have been dealt with in a timely manner to mitigate exposures to the organisation. • Identify and refer specific projects or investigations deemed necessary to assess risk management through the CEO, to the internal auditors or the Board. • Oversee any subsequent investigation
CEO	The CEO has overall responsibility as the 'accountable officer' for protecting the organisation from unacceptable costs or losses associated with its operations, and for developing and implementing systems for effectively managing the risks that may affect the achievement of objectives and operational outcomes. • Ensure appropriate risk management within LSC&PH. • Endorse the Risk Management Policy for approval by the Board and

	monitor implementation.
	• Provide executive leadership in the management of strategic, operational and project risk and generally champion risk management within LSC&PH.
	• Ensure that the risk profiles as entered by each area of the organisation are reviewed, updated and approved biannually (monthly for high> risks).
	• Report expeditiously to the Risk Committee on any material risk mitigation failures and actions taken.
	• Implement processes as per this Policy and Procedure
	• Ensure documents in use are up-to-date including operational and strategic risk registers, job descriptions and OHSAM
	• Support Committees and Leaders to ensure that processes and documents are being used appropriately
	• Raise risks for consideration and management
Finance Committee	• Ensure appropriate processes and documents are in place to manage financial and budgetary risks
	• Monitor budget to ensure it is on track
	• Raise risks for consideration and management
	• Report to the Board on financial and budgetary risks
Programs and Activities (P&A Committee)	• Ensure leaders are aware of the processes and procedures required to manage risk and that these are adopted
	• Raise risks for consideration and management
	• Report to the Board on risks to Objectives and Reputation
OHS Committee	• Ensure appropriate processes and documents are in place to manage risks to the Health, Safety and Wellbeing of members, staff, participants, hirers and contractors
	• Monitor OHS incidents and advise the CEO on appropriate measures to mitigate risk
	• Raise risks for consideration and management
Environment	• Development of an Environment Strategy and Action Plan to manage

Committee	environmental risks • Liaison with CEO, staff and leaders to ensure implementation of the strategy and action plan
Wellbeing Officer	• Develop and facilitate implementation of a Safety Management System throughout the organisation . • Ensure that the Safety Management System is based on risk management standards and is consistent with this framework. • Assist in relation to safety related 3rd party risk assessments e.g. scheduled maintenance checks on Fire Safety Installations.
Camp leaders, executive and committees (Leaders)	• Ensure Safety Officer, Finance Officer and PR officer are appointed and support them in managing OHS, budget and reputational risks • Ensure camp inductions include reference to risk management, incident reporting and appropriate behaviours • Ensure all activities are in line with objectives, mission and vision of LSC&PH • Ensure incident reports, new risks and receipts are provided to the CEO/office by the day after camp • Develop risk mitigation plans for identified risks and implement risk reduction strategies • As part of the planning cycle, consider and document existing risks and their impact on proposed programs and / or activities. • Document any new risks identified due to changes in the business environment. • Maintain up-to-date risk records on an on-going basis to reflect any changes which may occur.
All of the above, plus other employees, volunteers, members and participants	• Raise risks for consideration and management • Fill out incident and near miss reports • Ensure behaviours are in line with LSC&PH values at all times • Identify potential risk and manage effectively according to role • Act in a manner which does not place at risk the health and safety of themselves or any other person in the workplace. • Provide direction and training to persons for whom they have a supervisory responsibility or duty of care provision relating to health and safety. • Identify areas where risk management practices should be adopted

	advise their supervisors accordingly.
	• Meet obligations under relevant legislation including occupational health and safety, anti-discrimination, privacy, etc.
	• Take all practical steps to minimise the organisation's exposure to contractual, tortuous and professional liability.

Procedures

The following risk management process, based on *ISO3100 Risk management,* is integrated with other planning processes and management activities at LSC&PH.

1. Establishing the context

Establishing the strategic and operational context in which the risk management process will take place defines the parameters within which risks must be managed, the criteria against which risk will be evaluated, and the structure of the analysis.

The Board, working with the CEO, other key staff, and / or external professionals (e.g. insurance broker, risk professional, etc.) will regularly review the internal and external contexts in which LSC&PH operates.

(a) Internal context

It is important to have an understanding of LSC&PH as an organisation prior to understanding the risk management process, regardless of the level. Areas to consider include:

- LSC&PH's internal strengths, weaknesses, opportunities and threats (SWOT)

- Goals and objectives and the strategies that are in place to achieve them

- LSC&PH's Strategic Plan, budget and other internal drivers

- Capabilities in terms of resources such as people and systems

- Governance and structure

- Work health and safety

- Internal stakeholders

- Processes

- Culture

(b) External context

Establishing the external context is important to ensure that the community and external partners and their objectives are considered when developing risk management criteria and that externally generated threats and opportunities are properly taken into account.

This may include:

- Business, social, regulatory, cultural, competitive, financial and political environment

- International, National, State, Industry and Community impact, trends and practices

- LSC&PH's external opportunities and threats

- Strategic relations with external stakeholders

- Legal and regulatory obligations

- Health and safety

- Media/Reputation

2. Identifying risks

LSC&PH may use a range of tools and approaches to determine potential risks, including:

- Team based brainstorming with experienced and knowledgeable staff

- Structured techniques (such as SWOT analysis, process mapping, flow charting, systems analysis or operational modelling)

- Annual strategic, LSC&PH planning, budget and risk identification workshops

- Examination and analysis of past reports and incidents

- Regular compliance audits and reviews (internally and externally)

- Reviews by external service providers.

Operational risks

For LSC&PH's operational risks there are two ways that risks are identified:

- **Top down approach** – the operational Risk Register contains risks identified by Heads of Departments (HoD) at previous camps

  - each HoD will be provide with the risks relating to their role alongside their job description and the *Risk from a HoD Perspective* document

  - the HoD reviews these risks and discusses them with the Safety Officer before activities commence

- at the end of camp, new risks identified are provided to the Safety Officer who reviews them and passes them on to the office who updates the operational Risk Register

- **Bottom up approach**

  - each team runs a team risk assessment process where risks are workshopped as a team and the team identifies the key risks they will manage throughout camp

  - anyone can raise new risks at any time using the *Risk reporting form*

Strategic risks

The organisational strategic risks are largely identified by the Risk Committee, using LSC&PH's strategic objectives and plan as a starting point. They are then sent to the Board for consideration and adoption.

Strategic risks can be identified by anyone at any time but are a standing agenda on all Committee agendas. In addition the Risk Committee will run a yearly workshop to discuss risks with the aim of identifying new strategic risks and considering appropriate controls.

3. Risk analysis

Analysis involves developing an understanding of the risk, the likelihood of the risk occurring and the full range of potential impact/consequences. Identification of likelihood and consequence is not scientific: it is a qualitative exercise based on perception and history.

Risks are analysed by looking at two key aspects, the likelihood and the consequence of the risk occurring. These two aspects together create the "risk rating" of the risk – low, moderate, high or extreme.

At LSC&PH, **Likelihoods** are rated according to the chance of them occurring using the following criteria:

Likelihood Rating	Description
Rare	Likely to occur once or less every 20 – 100 camps.
Occasional	Likely to occur once or less every 10 - 19 camps.
Likely	Likely to occur once or less every 3 – 9 camps.
Frequent	The risk is likely to occur once or less every 1- 2 camp.
Almost Certain	The risk is likely to occur more than once per camp.

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A description of the different **consequence ratings** for the different types of risks is shown below

Consequence Rating	Objectives	Budget	Finance	Health/Safety	Compliance	Reputation	Workforce	Environment
Insignificant	Negligible quality issues with no effect on objectives	0% - 5% budget overspend	Cause nil - $2,000 financial effect.	First Aid only			Reduced workforce capability/capacity has little to no effect on service capacity or delivery.	
Minor	Objective achieved but quality diminished slightly	6% - 10% budget overspend	Cause $2,001 - $5,000 financial effect.	Worse case to cause injuries to person requiring them to leave location but return with no change in duties	Minor legal issues, non-compliances, and breaches of regulation	Short term difficulties with partners. Minor adverse local public attention or complaints.	Reduced workforce capability/capacity affects service quality.	Once off damage or Minor legal issues, non-compliances, and breaches of regulation
Moderate	Objectives achieved but quality diminished substantially	11% - 15% budget overspend	Cause $5,001 - $10,000 financial effect.	Worse case to cause injury to person requiring them to leave location but return with	Breach of regulation with investigation or report to authority with prosecution powers and or moderate	Difficulties with partners requiring several months to resolve. Negative media attention of	Reduced workforce capability/capacity unable to support key programs and activities.	Repeat damage, damage impacting a large area, or breach of regulation involving

Consequence Rating	Objectives	Budget	Finance	Health/Safety	Compliance	Reputation	Workforce	Environment
				modified duties	possible fine	local concern.		moderate possible fine
Major	Substantial part of objectives not met for quality reasons	16% - 30% budget overspend	Cause $10,001 - $300,000 financial effect.	Worse case to cause injury requiring the need to leave location permanently.	Major breach of regulation	Longer term difficulties with partners, including conflict with LSC&PH values. Negative mainstream media and public attention.	Reduced workforce capability/capacity threatens long term service delivery.	Damage with lasting impact in localised area or major breach of regulation
Catastrophic	Quality issues lead to non-achievement of objectives	Greater than 30% budget overspend	Cause greater than $300,001 financial effect.	Worse case to cause a fatality.	Significant prosecution and fines	Serious public or media outcry	Reduced workforce capability/capacity threatens organisational viability.	Damage with lasting impact in large area or fines and prosecution

By combining the likelihood rating with the consequence rating, we get the **overall risk rating**

Consequences					
Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	Moderate	High	Extreme	Extreme	Extreme
Frequent	Moderate	Moderate	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Occasional	Low	Low	Moderate	High	High
Rare	Low	Low	Moderate	Moderate	High

For each of the risks listed from the Risk Identification process, the likelihood of the risk occurring, and its consequences can be plotted using the criteria matrices by finding the intersection of each criterion of Likelihood and Consequence. For example the risk of a fraud occurring in the payroll process, in the absence of effective controls, could be assessed as follows:

The Likelihood is considered as '**Likely**' with the Consequence assessed as being '**Majo**r'.

The resulting level of risk will be shown as the intersection of the two dimensions on the Risk Level Matrix. This provides the Inherent Risk Rating of '**High**'.

5. Risk evaluation

Once the risk has been analysed and a risk rating determined, the risk is considered in terms of the following:

- Any controls already in place

- Controls that will be put in place before the activity commences

The *residual risk rating* is then determined being the risk remaining once controls are in place.

Any activity with a *residual risk rating* above moderate is to be ceased until better controls can be put in place.

All details of the risk including its inherent risk rating and residual risk rating are entered into the operational risk register.

6. Risk treatment

The aim of treating risks is to reduce the risk rating to an acceptable level.

Strategies can aim to reduce, eliminate or transfer the risk through a number of means including:

- Preventative controls such as passwords, locks, segregation of duties, or pre-purchase approval processes

- Education and training

- Policy and procedure amendment

- Audits

- Contingency planning

- Risk transfer (including insurance)

When determining the most appropriate treatment, LSC&PH will consider:

- How will the treatment modify the level of risk?

- How do costs balance out against benefits?

- How compatible is the treatment with the overall business objectives?

- Does it comply with legislation?

- Does it introduce new or secondary risks?

Often more than one response may be necessary to address an identified risk. In those cases a combination of responses (controls / mitigations) should be taken into consideration.

Controls are not always performed by the risk owner.

The office team works with Program Leaders to introduce further mitigating actions to reduce the risk rating within thresholds, modify the activity or action or reassess the activity / action.

Risks are escalated to the CEO for support and then the Risk Committee and/or Board if deemed necessary by the CEO.

7. Monitoring and review

To ensure risks are detected, added to the register, managed and actions are progressed:

- Risk will be a standing agenda item for all Committees including the Board

- Team risk assessments will occur at all camps

- HoDs will review risks in the risk register before and after each camp

- CEO will monitor implementation of actions through OHSAM

- Office staff will run arrange a yearly risk workshop to identify new strategic risks and controls

8. Communication and consultation

Communication is key to effective risk management and is managed using the following channels:

To ensure risks are detected, added to the register, managed and actions are progressed:

- P and A Committee will discuss risks and incidents to increase sharing of knowledge between programs and activities

- Documentation including job descriptions and camp manual will be updated to include reference to risks

- Documents will be distributed to relevant position holders explaining risk from their perspectives

Documentation

Document	Purpose	Location
Risk Management Plan	This document	P:/Risk Committee/Risk
Duty of Care	Explains to members the concept of duty of care and how it relates to LSC&PH	P:/Risk Committee
Operational Risk Register	Contains risks identified by HoDs	P:/Risk Committee/Registers
Strategic Risk Register	High level risks to LSC&PH	P:/Risk Committee/Registers
Compliance register	A register of compliance activities and their timelines	P:/Risk Committee/Compliance Register/Compliance Register.xls
OHSAM	OHS Action Management System – contains incidents and near misses reported by members, the actions to address them and progress in implementing actions	Office?
OHSAM procedure	The procedure for maintaining and updating OHSAM and operational risk registers	Office

Document	Purpose	Location
Job Descriptions	Provide guidance to HoDs on how to fulfil the requirements of their role	P:/PandA/Job Descriptions/
Perspective documents	Provides context and direction on how to manage risk for Camp Leaders, HoDs, safety officer and the Office	P:/Risk Committee/Risk
Appropriate behaviours policy	Describes the behaviours that are and are not appropriate for our camps, and procedures for addressing inappropriate behaviours	P:/Risk Committee
Team Risk Assessment	A procedure for HoDs to use to undertake a team risk assessment	P:/Risk Committee/Risk 2013
Emergency Management Plan	Plan to deal with emergencies at camp	P:/Risk Committee/EMP.doc
Critical Incidents and Emergency Management Plan	Plan to deal with crisis at camp or elsewhere	P:/Risk Committee/Critical Incident and Emergency Management Plan
Risk Committee Terms of Reference		P:/Risk Committee/
Risk Committee agendas, minutes, and reports		P:/Risk Committee/Risk Committee Meetings

Other relevant policies and procedures

- Code of Conduct
- Client Protection Policy and Procedure
- Privacy Policy
- Driving Policy

- Social Media Policy

- Extreme Weather Procedure

- First Aid Procedure

Policy review

This Policy will be reviewed every three years by the LSC&PH Risk Committee, or sooner if warranted by internal or external events or changes.

Changes to the Policy will be recommended by the Risk Committee to the Board.