RISK MANAGEMENT FRAMEWORK AND POLICY 2019-20

Contents

1.0 Policy Statement

The Suburban Land Agency (the Agency) Risk Management Framework and Policy Statement (the Framework) provides the foundation and organisational arrangement for how risk is managed across the Agency.

2.0 Purpose

This Framework will assist the Agency in achieving its objectives (determined in the Statement of Intent) and ensure risk management processes are embedded consistently across the Agency into significant activities and functions.

3.0 Scope

The Framework provides:

- o a risk management policy statement stating the Agency's commitment to risk management;
- o an outline of the principles of risk management to be applied by the Agency;
- o an overview of the roles and responsibilities for managing risk; and
- o details of internal and external communication and reporting mechanisms.

Oversight of risk management processes are undertaken by the Agency Board Audit and Risk Committee. Day-to-day management of risk is the responsibility of all staff with oversight provided by the Agency Secretary and Governance Manager.

4.0 Roles & Responsibilities

The following table outlines the roles and responsibilities undertaken in this policy.

Position/Business Area/Committee	Responsibility
Board	Responsible for approving the policy.
Board Audit and Risk Committee	Review of the Policy as per section 7.0 to ensure continued reflection of the Agency's business operations and/or priorities.
Chief Executive Officer	Has the overall responsibility for implementation and monitoring of performance against the policy established by the Board.
Agency Executive Team	Sets the tone to build and maintain accountability, an effective risk management culture that support risk management processes, practices and capabilities and is committed to the implementation and maintenance of the approach defined in this Framework
Agency Secretary and Governance Manager	Provides oversight of the risk management processes across the Agency and is a conduit for risks that need to be escalated upwardly for consideration.
All Agency staff	Responsible for the day-to-day management of risk to ensure the best outcomes for the organisation and its stakeholders.

5.0 Policy Requirements

Policy Statement

It is the responsibility of all Agency staff to demonstrate their commitment to robust risk management and assessment by adopting and implementing risk management in line with this Framework.

Risk is inherent in all the Agency's functions and the elimination of all risk is not practical or appropriate. Therefore, risk management principles are to be integrated in all aspects of Agency's work. A strategic and systematic approach to risk management, aligned with the Agency's Statement of Intent objectives and strategies will enable sound judgments and better decision-making. Such an approach supports the cost effective use of resources and maximise potential opportunities while minimising adverse consequences.

The Agency's business planning processes, including strategic and business planning, together with organisational policy development and project management will consider and incorporate robust risk management processes. Risks that are considered unacceptable, along with their treatment strategies, are to be incorporated into the relevant business planning and/or project management processes.

Risk management in the Agency will be monitored by the Executive team with recommendations provided by the Board Audit Risk Committee (BARC), internal auditors and the ACT Auditor-General's Office as appropriate.

The Framework provides the components needed for the Agency to develop a risk management plan and associated activities to operate a more effective management of risk.

Risk Management Framework

The Agency is developing a Risk Management Plan (the Plan) and associated activities which will be guided by this Framework. The Agency already undertakes important activities in support of an effective risk management framework such as internal audits, development/maintenance of the Agency's Corporate Risk Register and Risk Appetite Statement, polices and plans and supporting staff risk management resources that will be incorporated into the new plan.

Risk management

Risk management is an integral part of good corporate governance. The *Risk Management Guidelines* - ISO 31000:2018 (Second edition - 2018-02) (the Standard) defines risk as the effect of uncertainty, either positive or negative, on business objectives. Risk management involves coordinated activities to direct and control an organisation regarding risk. It is an integral part of good corporate governance.

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. Risk is measured in terms of a combination of the consequences of an event and its likelihood. Risk consequences can be characterised as including one or more of the following:

• Strategic management - the overall direction and management and includes planning, decision making and reporting;
• Core business - the core functions/activities undertaken in order to attain the strategic objectives. This can include risks to the reputation of the Government, the Directorates, Agencies or its officers.
• Resource management - the management of key resources (i.e. people, assets, information and finance).

Whole of ACT Government Practices

ACTIA is delegated under the *Insurance Act 2005* with the responsibility of driving best practice risk management across the ACT Government. It supports this through the development of the *ACT Government Risk Management Policy 2019* (the Policy) and a range of risk management tools, guidance and resources in order to assist entities develop and implement robust risk management practices. Risk management tools and resources such as the Risk Matrix, Risk Register and Risk Treatment Action Plans used by the Agency are based on those developed by ACTIA.

Risk Management Principles

Risk principles place an emphasis on risk management customisation and continuous improvement and highlights the importance of leadership and the integration of risk management across all facets of an organisation. Even though the Agency's risk management process continues to include familiar activities such as context setting, treating risk, assessing, monitoring and reporting risk, it acknowledges the iterative nature of the risk management process, steering away from representing the process as a series of linked activities with connecting arrows.

The Standard outlines eight risk management principles which provide guidance on the characteristics of effective and efficient risk management and underpins this Framework:

1. Integrated - risk management is an integral part of all organisational activities.

2. Structured and comprehensive - a structured and comprehensive approach to risk management contributes to consistent and comparable results.

3. Customised - the risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.

4. Inclusive - appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.

5. Dynamic - risks can emerge, change or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.

6. Best available information - the inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly considers any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.

7. Human and Cultural factors - human behaviour and culture significantly influence all aspects of risk management at each level and stage.

8. Continual Improvement - risk management is continually improved through learning and experience.

The risk management principles, framework and process as depicted in the Standard is included below:

Principles (clause 4)

Framework (clause 5)

Process (clause 6)
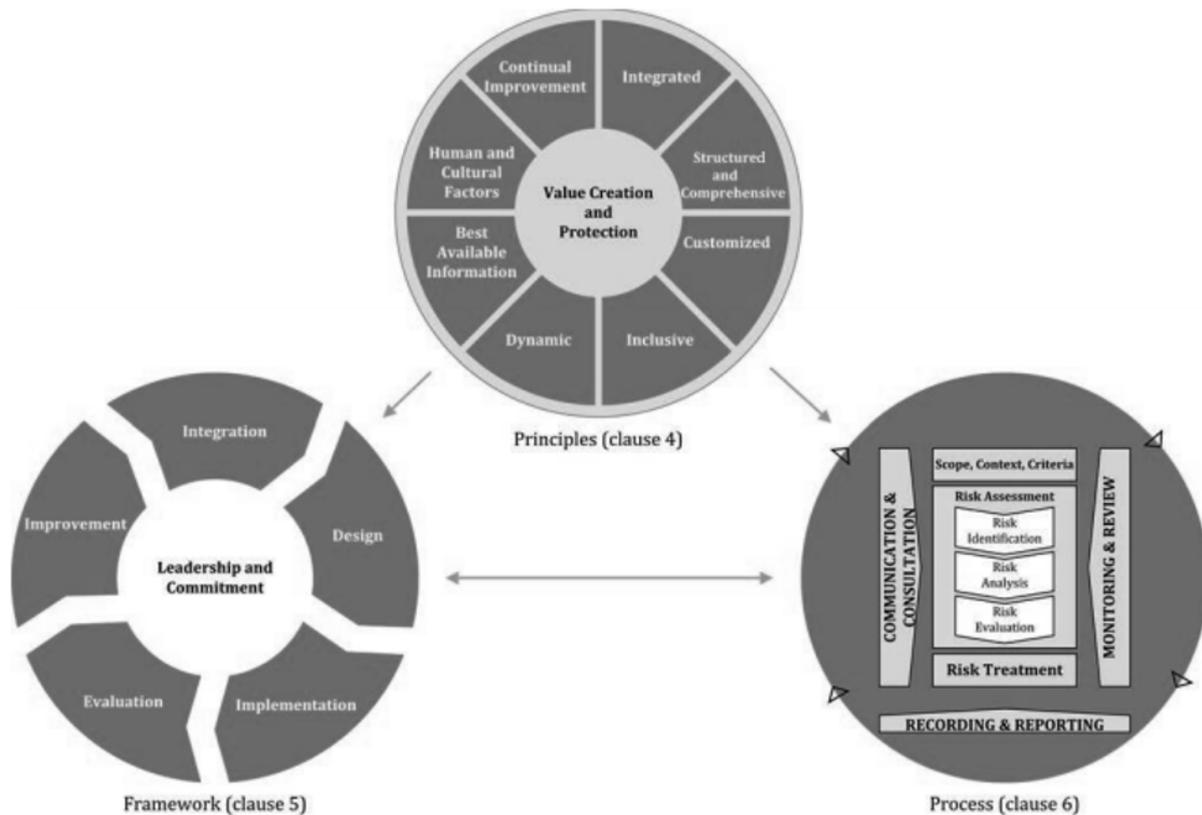
Risk Management Plan

The Agency's Risk Management Plan (RMP) sits within the Framework and aims to provide a detailed guide to support the effective implementation of an entity's risk management framework. The Agency's RMP, which is under review, aims to support the delivery of the Agency's objectives by outlining realistic and measurable outcomes. Key elements of the RMP are to include:
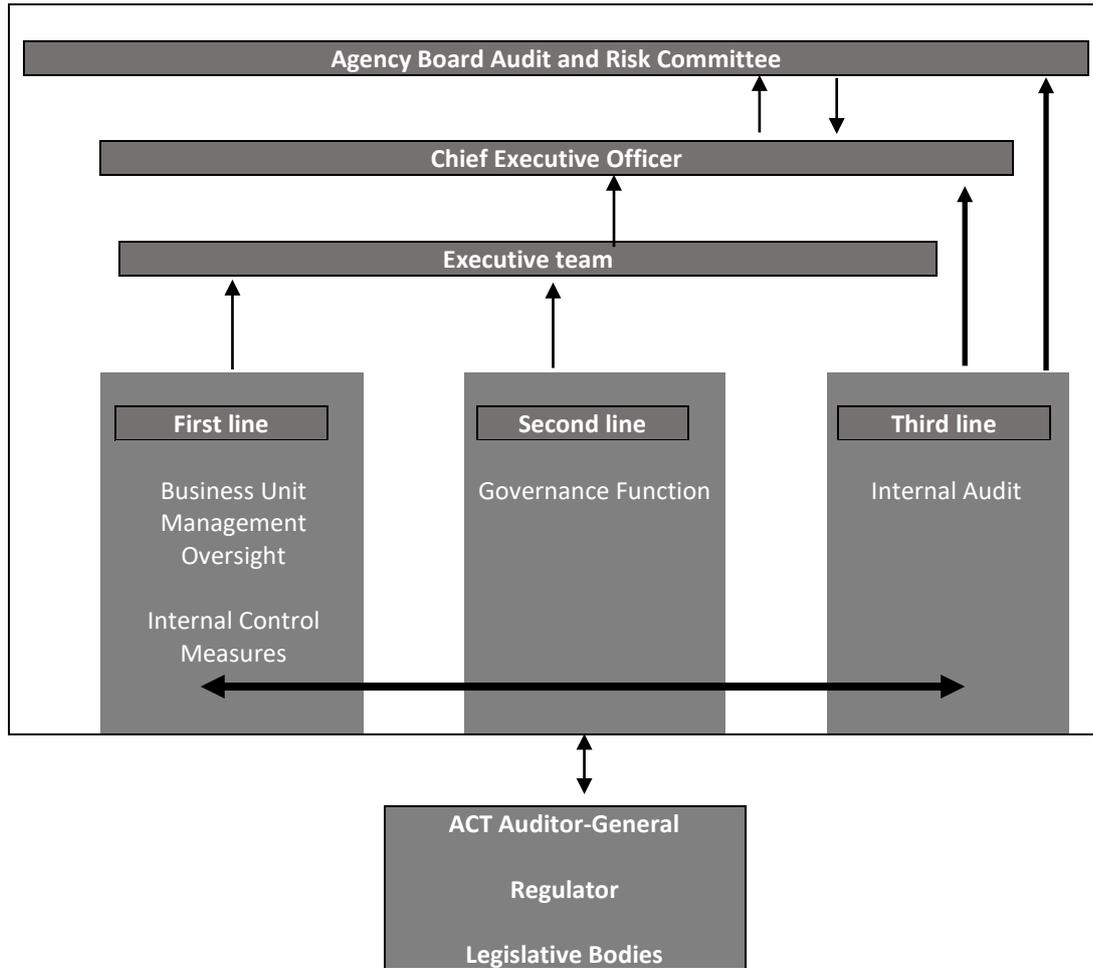
- defining the activities supported by the RMP.
- define the risk management process and the support tools and resources available.
- confirm risk management accountabilities and responsibilities.
- define risk reporting processes.
- define relevant measures of risk management success.

Governance Arrangements

The Australian National Audit Office's Better Practice Guide defines Public Sector Governance as the "set of responsibilities and practices, policies and procedures, exercised by an agency's executive to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability."

An important attribute of the Policy is effective risk governance, which includes an internal management structure and oversight for managing risk. The 'Three Lines of Defence' model, which is depicted in the Policy and included below is used in articulating roles and responsibilities related to governance, risk and controls in the Agency. The model can help organise risk management and controls and guide the development and operationalisation of the Agency's RMP.

Agency Board Audit and Risk Committee

Chief Executive Officer

Executive team

First line	**Second line**	**Third line**
Business Unit Management Oversight Internal Control Measures	Governance Function	Internal Audit

ACT Auditor-General

Regulator

Legislative Bodies

The first line of defence focuses on the day to day management and control of risks and includes roles undertaken by the Agency's staff and contractors. The functions related to the second line of defence are to provide assurance that controls are properly designed, are in place and operating effectively. The Agency Secretary and Governance Manager oversees this role. The third line of defence helps provide assurance to the Agency Board/BARC and Executives that governance and risk management efforts are consistent with expectations and help support achieving strategic objectives. External bodies such as the ACT Auditor-General sits outside the model but also play an important role in providing independent assurance around financial statements and performance audits.

Managing risks within the Agency

The risk priorities of the Agency are:
- *Safety* – as the highest priority, ensuring that work health and safety risk is identified, managed and actively monitored;
- *Effectiveness* – striving to deliver quality outcomes the first time; and
- *Efficiency* – delivering value for money to the ACT community.

Risks associated with these priorities are captured in the Agency's Risk Register (the Register) under the following categories:

- *Strategic* – ACT and Commonwealth Government policy, priorities and strategies; external conditions, activities and environment; and meeting community and government expectations;
- *Operational* – Management of financial and non-financial targets, business and financial systems and processes, work health and safety, organisational and workforce planning, projects and land development, and effective governance; and
- *Fraud and Corruption* – Management of information including compliant records management, procedures, procurement, resources and contracts.

The Agency utilises ACTIA's Risk Management Matrix, which is shown at Attachment C, to help determine the consequences/likelihood of consequences of identified risks. Risks are captured in the Register and rated accordingly from a scale of extreme to low. A high-level Agency-wide risk profile can be determined and used to reconcile with the Agency's Risk Appetite Statement (RAS). Current Agency risks that are rated as 'High' are at Attachment A.

The Agency's RAS provides a guide to decision makers on the type of key risks/activities and the amount of risk the Agency is willing to accept. This can support decisions about risk and risk taking in the context of the overall risk appetite, contributing to achieving strategic objectives.

To help define the Agency's RAS, identified risks are initially aligned to the current ACTIA Consequence Criteria and Categories of Risk table. The Agency's categories are primarily based on this table. Additional categories have been incorporated to better suit the Agency's operational context.

Consideration should be given to the following categories when developing and reviewing risk management plans:
- Workplace Health and Safety (WHS);
- Assets, business processes and systems;
- Compliance/regulation;
- Products, services and technology (includes information and records management);
- Cultural heritage and environmental;
- Financial, people and general business management activities;
- Milestones, reputation and image.

The following table reflects the key processes the Agency aspires to follow to manage its risk.

Process	Description
Tasks to be completed	• Output from risk assessments to be held in Risk Registers. • Nominated risk owners to be identified. • Risk Treatment Action Plans for risks rated as 'extreme or high' to be developed and implemented to ensure that objectives and budgets are met. • Risk treatment actions to be allocated to nominated task owners and tracked and monitored for completion and measurable (or observable) effectiveness. • Regular risk mapping exercises to be undertaken to identifying any new or emerging risks that might affect the achievement of strategic and business plan objectives and budgets. • Risk management training resources and tools are made available to staff to allow risk management activities to be carried out to contribute to the effective implementation of the Framework. This will be articulated as part of the Agency's training program, which includes training as outlined in the Agency's Statement of Intent and as determined by the Agency's CEO and Agency Secretary and Governance Manager. • Established communication activities ensure staff are aware of relevant roles

Process	Description
	and responsibilities, improves their risk management capability and knowledge, and fosters a shared understanding of risks that the Agency faces. A variety of internal Agency information dissemination channels are to be used, including all Agency staff emails and YOURSLA. o A Senior WHS Manager and Risk Officer have been employed to assist and provide guidance to staff in the management of their risks throughout the steps of the risk management process.
Completion timeframe	• Conduct reviews of existing risks each year or if a major restructure has occurred. • Projects are to conduct reviews/risk assessment of existing risks on a regular basis. • All staff are to complete the EPSDD Fraud, Corruption and Ethics Awareness training this financial year. • Risk related awareness training as outlined in the Agency's Statement of Intent and determined by the Agency CEO and Agency Secretary and Governance Manager is completed by all staff this financial year. Ensure that staff receive periodic refresher courses after initial training is undertaken. • The Agency's induction program for new starters includes an overview of the Framework.
Responsibility for completion	• Executives, Directors, Assistant Directors and Managers. • Development Directors, Project managers and Development Managers. • Agency Secretary and Governance Manager. • All staff.
Reporting requirements	• Report identified risks to the Executives, Directors, Assistant Directors and Managers. • Project Managers will report identified project risks to the identified risk owner, Development Directors, Project managers and Development Managers or to the appropriate governing Project Committee or Executive. • The Governance Team will liaise with related training providers for data of staff that have completed training. This information will be provided to relevant Executives for any follow up action.

Risk performance measures

An important component of managing risk within the Agency is gaining assurance about the quality and effectiveness of risk management strategies and processes including the Framework and support plans.

To help ensure the Framework is effective the Agency is to:
• measure its performance against realistic and agreed benchmarks; and
• review whether the Framework, policy and plan are current, relevant and effective.

An attribute of enhanced risk management is to include an emphasis on continual improvement through the development and setting of performance goals, review and modification. Accordingly, the Agency is to develop relevant measurable values that reflect how successful the Agency's activities are in managing identified risks. This work can provide early warning signs that identify potential events that could impede the Agency achieving its strategic objectives.

The Agency's risk performance measures may include, but are not limited to:
- establish a Framework that reflects best practice, where its principles help formalise the Agency's commitment through the development of a robust risk management plan to manage its risk;
- cultivating a positive risk culture, through engaging Executive commitment, increased staff knowledge and awareness of risk through adequate training and support;
- adopt best practice risk assessments that identify risks, risk sources/hazards, evaluate the effects should the risk eventuate, identify controls and rate the risk;
- integrate risk management activities across the Agency, such as project management, WHS and internal audits; and
- increased awareness of the Code of Conduct, values, ethics and fraud control.

Assurance and continuous improvement

ACT Government entities must report on their risk management and internal audit policies and practices in annual reports. Agencies are required to confirm that they understand, manage and control key risk exposures and that a responsible body or the BARC verifies those arrangements.

Monitoring and Reporting of Risk Management

The ongoing review of risk is essential to the effective management of risk. Monitoring risk will help determine the effectiveness and appropriateness of risk management strategies, systems and treatments. Ideally the review and monitoring of risk is to be carried out in line with changes in the Agency's internal/external operating environment, align with any changes to strategic objectives, risk appetite and tolerance thresholds.

The benefits of the regular monitoring and review of risk include:
- controls are effective and efficient in design and operation;
- lessons are learnt from events, changes, trends, successes and failures;
- changes in the Agency's external and internal working environment are considered;
- emerging risks are identified;
- adequacy of the risk management framework, policy and plan and whether they remain relevant and appropriate given the organisations' external and internal context; and
- change in the Agency's risk profile is appropriately acted on.

Timely risk reporting is integral to effective risk management and needs to be tailored to assist and inform decision makers across the Agency.

The table below provides information of the key tasks that forms part of the monitoring and review process, which should be included when developing risk reports:
- risks of concern (can include risk rated as low, high or extreme);
- new or emerging risks;
- progress against performance measures;
- effectiveness of controls; and
- any audit recommendations against identified/new risks.

Process	Description
Tasks to be completed / completion timeframe	**Risk governance** - the Agency is to report the following in its annual reports: o membership of the BARC, with details of the number of meetings held by the committee and the number of meetings attended by committee members.

<table>
<tr>
<td></td>
<td colspan="3">

o internal audit arrangements, including Audit and Risk Committee Charter and operations, and links with risk review processes;
o process for developing the entity's risk management plan;
o approach adopted to identify areas of significant operational or financial risk at entity and Branch/Business Unit level;
o arrangements in place to manage and monitor those risks; and
o processes for identifying and responding to emerging risks.

Risk profile – all risks rated 'extreme' or 'high' and risk controls that are less than 'adequate' will require a Risk Treatment Action Plan to be developed.

The risk owner is to ensure the Risk Registers and Risk Treatment Action Plans are up-to-date. Performance measures and targets are to be specified for risk management and for achieving compliance with the Risk Management Framework and Policy.
</td>
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<tr>
<td>Completion timeframe</td>
<td colspan="3">
The reporting requirements for each level identified within this framework are outlined below:

<table>
<tr>
<th>Risk level</th>
<th>Reporting to</th>
<th>Frequency</th>
</tr>
<tr>
<td>Operational/Project/Business Unit</td>
<td>Agency Board</td>
<td>Yearly (by Branch/Business Units)

Six-monthly for Branch/Business Units with operational risks that have potential to affect the Agency as a whole.</td>
</tr>
<tr>
<td>The Agency</td>
<td>Annual Report</td>
<td>Annually</td>
</tr>
</table>
</td>
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<tr>
<td>Responsibility</td>
<td colspan="3">The Chair of the Agency Board and CEO of the Agency are required to authorise annual reports. Risk owners have overall accountability for ensuring proper monitoring and reviews occur and that each Risk Register and their Risk Treatment Action Plans are kept up to date.</td>
</tr>
</table>

Framework compliance audits

Regular internal audits of risk management are to be completed to ensure effective management of risk and compliance with the Framework by all areas. Audit reviews by independent external parties may be undertaken if deemed appropriate.

The ACT Auditor-General is responsible for undertaking independent audits of management performance and the financial statements of public sector bodies. This may include periodic reviewing and reporting on the level of compliance of Agencies with governance frameworks including risk management.

Continual improvement of the Framework

Continuous improvement is strategically integrated with the Agency's corporate objectives to ensure that the Agency continues to evolve towards best practice. Some of the processes that support continuous improvement and review of the Framework include:
- regular assessment of risk management processes to identify opportunities for improvement;

- regular reviews of other comparable models, frameworks and standards to ensure that the Agency's Framework continues to reflect contemporary best practice;
- ongoing training and development for relevant teams and staff to ensure that the they are equipped with a sound knowledge and skills base;
- inclusion of, and measurement against, performance measures relating to the Agency's risk management and other key governance processes in the Agency's Statement of Intent;
- Directors, Assistant Directors and Managers ensure that the Framework and associated business processes continue to meet local needs as risk management matures and improves;

Compliance with Agency policies and relevant Territory legislation

Compliance with Agency policies and applicable legislation is a serious matter. Failure to comply may result in non-compliance with the Agency's legislative responsibilities under the *Financial Management Act 1996* and other applicable legislation. Managers and staff are accountable for decisions made as delegates to the CEO for the fulfilment of their responsibilities. Non-compliance will be taken as a serious matter and may result in disciplinary action, be reflected in management performance reviews or, where the matter is serious, escalated to the relevant authorities.

6.0 Evaluation

Outcome Measures	Method	Responsibility
The Agency's risk management practices are consistent with Board directions.	Regular review of governance practices to ensure the Agency's approaches to risk management are consistent with the those approved by the Agency Board	Agency Secretary and Governance Manager
The Agency's Risk Management Framework and Policy Statement is relevant	Review of the Framework as per section 7.0 to ensure continued relevance.	Governance Team

7.0 Review

This Framework will be reviewed as required to ensure relevance and recency. At a minimum it will be reviewed annually. However, if there are major changes in business operations and/or priorities, this position will be re-assessed and updated accordingly.

8.0 Related Legislation, Policies and Standards

- *Financial Management Act 1996*.
- *ACT Insurance Authority Act 2005*.
- *ACT Government Risk Management Policy.2019*
- *ACT Government Risk Management Policy 2019, Implementation Guide* – February 2019.*City Renewal Authority and Suburban Land Agency Act 2017* - Republication No 5, 1 January 2019.

- *Environment, Planning and Sustainable Development Directorate, Fraud and Corruption Plan 2019-2021.*
- *Risk Management Guidelines* - ISO 31000:2018 (Second edition -2018-02).

Definition of Terms

Term	Definition
Audit and Risk Committee	Section 50 of the *City Renewal Authority and Suburban Land Agency Act 2017* states that the Suburban Land Agency (the Agency) Board must establish an audit committee. This committee is to be chaired by an Agency Board member.
Risk Management Guidelines - ISO 31000:2018 (Second edition -2018-02)	The standard provides guidelines on managing risk. It is a generic and flexible standard that is not specific to any government or industry sector. The Standard identifies elements or steps in the risk management process that can be applied to a wide range of activities at any stage of implementation.
Consequence	The impact a risk event will have on objectives if it occurs. Note: an event can lead to a range of consequences.
Control	A measure that maintains and/or modifies risk.
Event	Occurrence of or change of a particular set of circumstances. Note 1: An event can be one or more consequences and can have several causes. Note 2: An event can consist of something not happening. Note 3: An event can sometimes be referred to as an "incident" or an "accident".
Inherent risk	The current or original risk rating which considers current controls prior to the addition of risk treatments.
Level of risk	Magnitude of a risk or combination of risks expressed in terms of the combination of consequences and their likelihood (may also be referred to as risk severity).
Likelihood	Chance of something happening.
Program	A program manages a set of related projects and activities in order to deliver outcomes and benefits related to organisational strategic objectives. A program is likely to have a lifespan of several years during which, a number of projects are initiated, executed and closed. The program co-ordinates the interdependencies amongst the various projects and activities to deliver an outcome greater than the sum of its parts.
Project	A project is a temporary one-time effort to achieve explicit objectives within defined time, cost and performance parameters. The project brings about change and involves a group of inter-related activities that are planned and then executed in a certain sequence to create a unique product, service, undertaking or result within a certain timeframe.

Residual risk	Risk remaining after a risk treatment has been implemented. Note: Residual risk can be known as 'retained risk'.
Risk	Effect of uncertainty on objectives. Risk can have a negative or positive impact.
Risk appetite	Amount and type of risk that an organisation is willing to pursue or retain.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk criteria	Terms of reference against which the significance of a risk is evaluated.
Risk description	Structured statement of risk usually containing four elements: sources, events, causes and consequences.
Risk identification	Process of finding, recognising and describing risks.
Risk Leader	The person responsible for promoting risk management within the agency or project.
Risk management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework and Policy	The set of components needed to design, implement and operate an effective risk management process.
Risk Management Plan	Document that specifies the approach, tasks and assignment of responsibilities to be applied to the management of risk affecting an aspect of the Agency's business.
Risk matrix	Tool for ranking and displaying risks by defining ranges for consequence and likelihood.
Risk Owner	Person or entity with the accountability and authority to manage risk.
Risk profile	Identifies, assesses and evaluates key risks facing the enterprise against a number of facets including probability and impact. The risk profile understands how risks are identified, measured and managed, and how these processes are integrated into an overall risk profile. Note: the set of risks can contain those that relate to the whole organisation, part of the organisation, or as otherwise defined.
Risk register	Documented record of information about identified risks. A risk register is the tool used to record the results of the risk assessment.
Risk source	Element which alone or in combination has the intrinsic potential to give rise to risk.

Risk strategy	A high-level statement that sets out the broad policy as to how risk will be taken and managed by the organisation to achieve its strategic objectives. The risk strategy defines the way in which an organisation undertakes risk management and aids decision making, and the effective use of scarce resources.
Risk treatment	Process of selection and implementation of measures to modify risk (with aim to reduce or eliminate risk).
Risk treatment owner	The officer/manager responsible for managing the treatment of risks. This includes ensuring that the treatment strategy outlined is implemented and is doing what it was designed to do -manage risk.
Risk Treatment Action Plan	A document that supports identified risks detailing strategies and actions for how a Branch/Business Unit plans to respond to the potential risk.
Stakeholder	Any person and/or entity / organisation that can be affected by or perceive themselves to be affected by a decision or activity.

Document Governance

Position/Business Area/Committee	Role	Responsibility
Board	Document approver	Approving the Agency's Risk Management Framework and Policy Statement.
Chief Executive Officer supported by Executive Team	Document sponsor	Responsible for authorising and enforcing the risk management policy and maintaining a positive culture within the Agency.
Agency Secretary and Governance Manager	Document Custodian	Responsible for designing and developing the policy
All Agency staff	Document owners	Responsible for implementation of the Framework
Governance Team	Document Creator	Responsible for drafting and making amendments to the Policy

Version History

The following table details the published date and amendment details for this document

Version	Date	Amendment details
1.0	24/10/2019	First publication of the Risk Management Framework and Policy Statement.

Attachments

Attachment A: Summary of Suburban Land Agency's Risks Rated as High.

Attachment B: ACTIA Risk Matrix - January 2019.

Attachment A: Summary of Suburban Land Agency's Risks Rated as High

#	Risk Register Reference#	Risk	Control Effectiveness Rating	Risk Owner-The officer responsible for management of the risk	Comment
1	Strategic (S3) Operational (O4)	Agency objectives are delivered in an unsafe manner.	Adequate	Chief Executive Officer	These two risks have been totalled as a single High risk.
		Failure to ensure the safety of staff, contractors and consultants.	Adequate	Agency Secretary and Governance Manager	
2	Strategic (S2)	Non –compliance with legislation, the law, established policies and better practice (staff, contractors or third parties).	Adequate	Chief Executive Officer	
3	Strategic (S4) Operational (O1)	Failure to meet objectives	Adequate	Chief Executive Officer	These two risks have been totalled as a single High risk.
		Failure to achieve Statement of Intent [objectives] financial and non-financial targets.	Room for Improvement	Chief Executive Officer supported by Agency Executive	
4	Strategic (S5)	Loss of confidence in the Agency by Minister/s, Government, or the public, [negatively impacts on the Agency's ability to meet its objectives/ expectations].	Room for Improvement	Chief Executive Officer assisted by Agency Executive	
5	Operational (O3)	Failure to deliver the Government's Land Release Program.	Adequate	Chief Executive Officer	
6	Operational (O11)	Failure to understand and manage the expectations of the Community regarding the land release program.	Adequate	Deputy Chief executive Officer	
7	Fraud & Corruption	Unauthorised access to Information Management including ICT.	Adequate	Agency Secretary (Governance)	
8	Fraud & Corruption	Procurement guidelines and policies are not followed.	Adequate	Chief Executive Officer	

Attachment B: ACTIA Risk Matrix

ACTIA — Australian Capital Territory Insurance Authority

ACT Government

Last Update: 8 January 2019

Consequence **

	Insignificant	Minor	Moderate	Major	Catastrophic
Financial	1% of Budget or <$5K	2.5% of Budget or <$50K	> 5% of Budget or <$500K	> 10% of Budget or <$5M	>25% of Budget or >$5M
People	Injury or ailments not requiring First Aid treatment and / or psychological injury managed by staff support services.	Minor injury or requiring First Aid treatment or short term injury (less than four weeks incapacity for work) and / or psychological injury resulting in reduced ability to perform tasks requiring treatment from a health professional.	Serious injury causing hospitalisation or medium term reversible disability (four weeks or more incapacity for work) or multiple medical treatment cases and / or psychological injury resulting in reduced ability to perform tasks requiring ongoing support from GP/health professional.	Single life threatening injury (including loss of limb) or multiple serious injuries causing hospitalisation and/or permanent disability and / or psychological injury resulting in reduced ability to perform tasks requiring significant additional psychological treatment.	Death or multiple life threatening injuries and/or multiple injuries causing major life altering impairment and / or psychological injury resulting in inability to perform tasks requiring on going significant psychological treatment.
Compliance/ Regulation	Non-compliance with work policy and standard operating procedures which are not legislated or regulated.	Numerous instances of non-compliance with work policy and standard operating procedures which are not legislated or regulated.	Non-compliance with work policy and standard operating procedures which require self reporting to the appropriate regulator and immediate rectification.	Restriction of business operations by regulator due to non-compliance with relevant guidelines and / or significant non-compliance with policy and procedures which threaten business delivery.	Operations shut down by regulator for failing to comply with relevant guidelines / legislation and/or significant non-compliance with internal procedures which could result in failure to provide business outcomes and service delivery.
Reputation & Image	Internal review and/or minor dissatisfaction across a small number of demographic groups or stakeholders.	Scrutiny required by internal committees or internal audit to prevent escalation and/or moderate dissatisfaction across a small number of demographic groups or several stakeholders.	Local media scrutiny (1 week) and/or scrutiny required by external committees or ACT Auditor General's Office, or inquest, etc. and/or dissatisfaction across a few demographic groups or multiple stakeholders.	Intense public, political and national media scrutiny (1 week) and/or Minister / Chief minister involvement and/or dissatisfaction across a large range of demographic groups and stakeholders.	Adverse finding from Assembly inquiry or Commission of Inquiry or sustained adverse international media and/or loss of public confidence in Govt or Public Service forcing changes to the machinery of Govt.
Service Delivery	Loss of or interruption to non critical/no-core services up to 3 days.	Interruption of core services affecting critical infrastructure (e.g. law & order, public safety, health) or cessation of core/ critical service essential to business continuity for up to 3 days.	Cessation of core services affecting critical infrastructure (e.g. law & order, public safety, health) or cessation of core/ critical service essential to business continuity for up to 3 days and/or disruption for a week.	Cessation of core services affecting critical infrastructure (e.g. law & order, public safety, health) or cessation of core/ critical service essential to business continuity for up to 3 days and/or disruption over subsequent weeks.	Total cessation of core services affecting critical infrastructure (e.g. law & order, public safety, health) or cessation of core/ critical service essential to business continuity for more than 1 week and/or disruption over subsequent months.

Likelihood of Consequence

Frequency			Matrix	1	2	3	4	5
Almost Certain	Is expected to occur in most circumstances	Once in a quarter or more	5	Medium	High	High	Extreme	Extreme
Likely	Will probably occur	Once a year or more	4	Medium	Medium	High	High	Extreme
Possible	Might occur at some time in the future	Once every 1 - 5 years	3	Low	Medium	Medium	High	Extreme
Unlikely	Could occur but doubtful	Once every 5 - 20 years	2	Low	Medium	Medium	High	High *
Rare	May occur but only in exceptional circumstances	Once every 20 - 100 years	1	Low	Low	Medium	Medium	High *

Priority for Attention / Action *

Priority	Indicative Escalation	Indicative Action Plan	Authority for Action	Optional Considerations
Extreme	Within 24 hours	1 month or sooner	DG & DDG (CEO or equivalent)	Chair ARMC Director WH&S
High	Within 7-14 days	2 months or sooner	Senior Executive or equivalent (DDG/ED/Head of Agency or equivalent)	Director WH&S
Medium	Within 1-3 months	3 months or sooner	Executive/Business Unit Head/Manager	WH&S Team
Low	1-3 months in course of normal business	3-6 months or sooner	Team Leader/Supervisor	WH&S Team

Risk Control Effectiveness

Control Effectiveness	Guide
Adequate	Controls are well designed and operating effectively in treating the root cause of the risk. Additional controls exist to appropriately manage consequence. Nothing further to be done except review and monitor the existing controls. Controls are largely preventative and management believes that they are effective and reliable at all times.
Room for Improvement	Some deficiencies in controls have been identified however most controls are designed and implemented effectively in treating some root causes of the risk. While some preventative controls exist, controls are largely reactive. There are opportunities to improve the design/implementation of some controls to improve operational effectiveness.
Inadequate	Significant control deficiencies identified. Either controls do not treat root cause or they do not operate effectively. Controls, if they exist are just reactive. Management has little confidence on the effectiveness of the controls due to poor control design and/or very limited operational effectiveness.

* Priority for Attention / Action
Every care should be taken to act as soon as possible to implement risk control measures wherever possible or to take action to fix the problem. 'Extreme' and 'High' risks especially where the risk relates to people and personal injury require us to act immediately to take steps to fix the problem.
The suggested timing of treatment does not mean that immediate action ought not be taken or that the timing can not be completed sooner than suggested.

** Hint
To help assess the consequence and likelihood of a risk:
1. Consequence- What will be the outcome/impact should the risk eventuate in the most normal form? Where there are many consequences, choose the one that has the highest outcome/impact?
2. Likelihood. What is the likelihood of that outcome/impact?
3. When identifying, analysing and rating risk, consideration should be given but not necessarily limited to the above categories of risk and the suggested examples of frequency and consequences.