

Risk Management



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System: Governance

Responsible Person/s:

Chief Executive Officer
Operational Support Team Members
All FCS Staff and Volunteers

Purpose:

The purpose of this policy is to ensure that FCS has relevant systems and processes in place to identify, plan and manage all categories and areas of potential risk that may impact the organisation, including but not limited to:

- Risks to Footsteps' resources, equipment, assets and financial sustainability (Business Continuity).
- Risks to organisational integrity and reputation (Business Continuity).
- Risks that may impact on individuals who work for and access FCS, clients and community members (Workplace Health and Safety).
- Risks arising from the built and natural environments in which FCS operates (Workplace Health and Safety).

Scope:

This policy applies to all FCS employees, clients, subcontractors, consultants and volunteers. This Policy must be read in conjunction with FCSs' *Business Continuity and Crisis Management Policy*.

Policy Statement:

FCS embraces the concept that taking risks and potential failure are part of a broader innovative process. Although FCS aims at removing/reducing the chances of negative events to happen through risk management

In this context it is essential that risks are managed through clear and detailed processes that emphasise the importance of integrity, transparency and intelligent inquiry whilst maintaining high quality staff and individual accountability.

Resources are made available in a controlled and managed way to develop new revenue streams and sustainable services, aligned with the identified and emerging needs of our clients/community.

Definitions:

- **Risk** is the combination of the likelihood (chance) of a negative event occurring and the consequences (impact) if it does.
- Risk appetite can be defined as "the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives". Organisations will have

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different risk appetites depending on their sector, culture, values and objectives. A range of appetites exist for different risks, and these may change over time.

- Risk Management: Is the process by which the likelihood and impact of risks are lowered so as to be acceptable by the organisation (i.e. within the parameters developed in the organisation's risk appetite).

Risk Appetite

- FCS recognises that risk appetite is a complex area involving the balancing of threats against opportunities and managing the differing expectations of regulators and other stakeholders.
- Risk appetite and tolerance need to be central to the Directors' agenda and are a core consideration of a risk management approach. While risk appetite will always mean different things to different people, FCS has developed a *Risk Appetite Statement* to assist in creating common understanding of risks across the organization toward achieving organisational objectives and supporting sustainability.
- FCS's *Risk Appetite Statement* reflects the organisation's values and purpose. It is central in informing the development of policies, procedures and processes. The *Risk Appetite Statement* is the responsibility of the Directors and is not shared with external stakeholders. It is reviewed annually and as required.
- In operational terms, the organisation has indicated a high to medium appetite for risk in terms of strategy, and new service provision. While FCS embraces risks from an organisational perspective, there is a clear expectation from the Directors that employees, FCS's clients and the community should not be put at risk as a direct result of FCS strategies or services.

1. Roles and Responsibilities

FCS identifies that risk management sits with all employees in the organisation independently of level of responsibility. However, in terms of accountability, FCS recognises that different levels of risk are managed by different individuals or delegated groups within the organisation, and these are as follows:

- The Directors and the CEO are responsible for overall organisational risk management.
- CEO and Managers are responsible for operational risk management.
- Employees are responsible for the management and reporting of risks associated with their role and have obligations to seek assistance and inform Management if they are unable to manage a particular risk.
- Clients are responsible to disclose all and any risks associated to the services they receive.

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The table below provides more information in a visual format

	Governance and Organisational risks	Operational risks	Individual risks	Others (including case force major)
Directors	Responsible for the Risk Appetite and overall Risk Governance Oversight of the risk register	Responsible for oversight and ensuring processes are in place to mitigate Oversight of the SWMS	When identifying a risk, hold the responsibility to address it	Lead Business continuity and crisis management
CEO	Responsible for the Risk Appetite and overall Risk Governance Oversight of the risk register	Responsible for oversight of Service risks	When identifying a risk, hold the responsibility to address it	Lead Business continuity and crisis management
GM and Mgmt Team	Provide support to the Director in maintaining and developing the risk register Responsible for maintaining policies and procedures	Must ensure that all risk management are in place to keep Operational risk in line with Directors' risk appetite	When identifying a risk, hold the responsibility to address it	Lead Business continuity and crisis management as a backup for Directors
Team Leaders	Input in policies and procedure	Oversight of their respective teams risk Management as well as business risks linked to the services they manage Responsible for overseeing RAMS	Support individual team members in delivering proper risk management	Act in accordance with policies and follow the lead of the directors and Management Team
Employees	Follow policies and procedures	Support their team in managing risk areas	Identify risks when they occur & address When they cannot	To participate and follow any Crisis Management

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			address them notify their Manager or a responsible individual at FCS Responsible for development of RAMS	Plan as well as all processes to keep everybody safe
Clients & Stakeholders	Play an advisory role	Play and advisory role	Must disclose all risks associated to service delivery to them and actively participate in the risk management during service delivery	NA

2. Managing Risk

FCS will ensure that policies and procedures that address risk management in all areas of the organisation, including but not limited to business continuity and crisis management and workplace health and safety are developed, implemented and reviewed to reflect the risk appetite statement and the objectives of this policy.

When and if possible, FCS will always adopt a proactive stance toward identifying risks and devising strategies to mitigate them. This will be managed by the Directors in a single Risk Register currently called "FCS Risk Identification and Management". When this is not possible, FCS will ensure those risks are mitigated through appropriate insurance.

FCS strives to align with the Australian and New Zealand Risk Management Standard (AS/NZS 4360:2004).

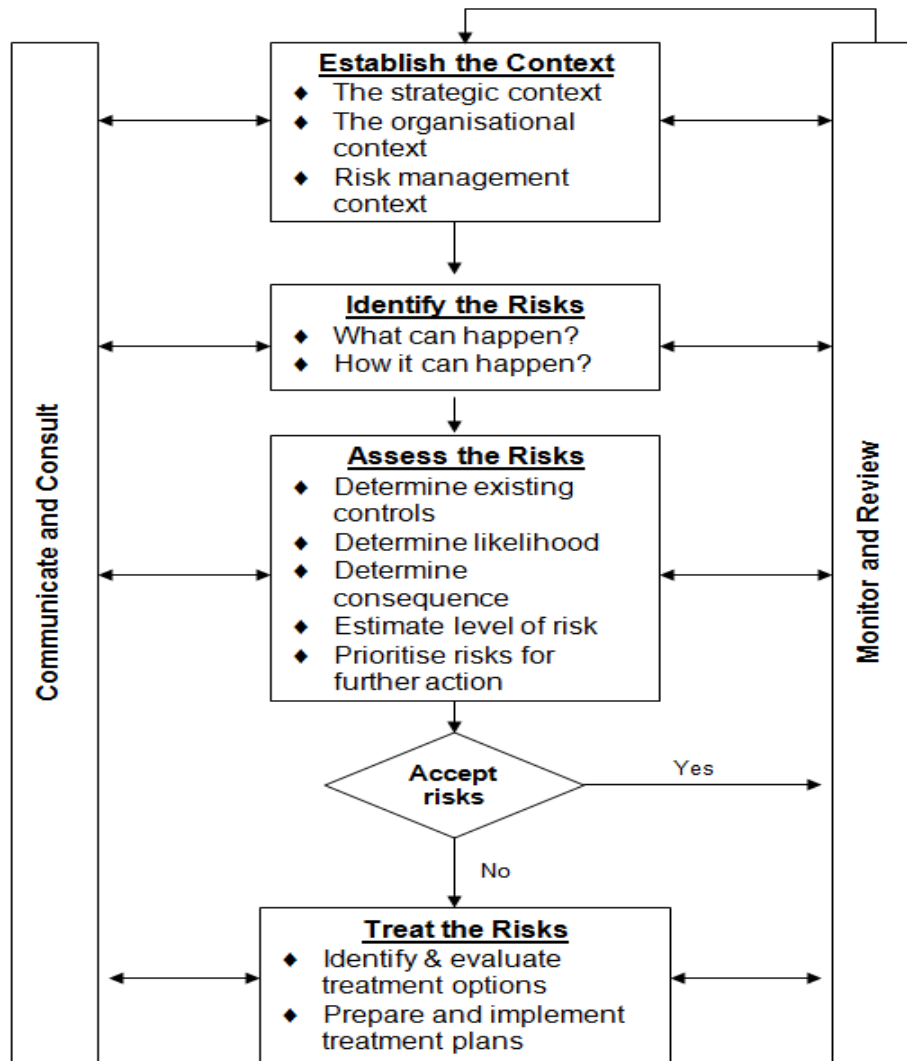
The below flow-chart reflects the organisational risk management approach to be undertaken as a minimum standard within FCS:

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1. Establish the context

FCS is a community based human services organisation. Within this context, there are numerous potential risks that may impact the company. FCS has a documented *Risk Appetite Statement* which articulates its risk appetite (tolerance) for risk in several areas, including:

- Strategic Risks
- Financial Risks
- People and Culture Risks (Conduct, Workplace Health and Safety)
- Client Service Delivery/Behaviours of Harm
- Operational Risks (New service delivery, Information technology, physical security, compliance, information management)

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Overall, FCS uses the following hierarchy of Risks when establishing the any risks contexts:

- Organisational Risks
- Operational Risks
- Activity risks
- Individual risk (clients/employees)
- Others (case force major/Environmental)

2. Identify the risks

- FCS maintains a documented *Risk register* which identifies main organisational risk areas as well as risk mitigation strategies. A risk matrix approach is used to provide clarity on risk levels, chances of realisation, and inform overall strategies to mitigate them. If risk eventuation are sudden and unexpected, a crisis Management and business continuity strategy must be clearly defined.
- Employees engage in both static and dynamic risk identification on an ongoing basis regarding all areas of operations.

3. Assess the risks

FCS has a range of risk assessment processes and documents that are utilised to assess risks. All employees engage in both static and dynamic risk assessment on an ongoing basis regarding all areas of operations.

Overall, FCS uses the below matrix (or a simplified version) to define the level of risk while ensuring a common understanding of risk is created across the organization.

- Risk categorized as Green do not need immediate attention and need to be discussed with TL as part of ongoing practice and management conversations..
- Risk Categorised as Yellow can be addressed later and must be discussed with a practitioner.
- Risk Categorised as Orange Must be addressed as soon as possible/practical and must be reported to Managers/TL.
- Risk Categorised as Red must be addressed immediately, must be reported to Director/CEO or GM/Management Team. Note there might be additional stakeholders interaction which flow from those types of risks

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		Consequence				
		Insignificant	Minor	Moderate	Major	Extreme
Likelihood	Almost certain More than 90% likelihood of occurring	Medium	Medium	High	Critical	Critical
	Likely Between 50% and 90% likelihood of occurring	Low	Medium	High	High	Critical
	Possible Between 20% and 50% likelihood of occurring	Low	Medium	Medium	High	High
	Unlikely Between 10% and 20% likelihood of occurring	Low	Low	Medium	Medium	High
	Rare Less than 10% likelihood of occurring	Low	Low	Low	Medium	High

4. Treat the risks

FCS processes in place for ensuring that employees are able to implement the most effective control measures that are reasonably practicable and utilises a hierarchy of control model to determine what these may be. Where appropriate consultation with external agencies and services occurs.

Risk Tool suite

Overall, the organisation has a range of supporting documents utilized as follow:

- At governance level
 - Constitution
 - Risk Appetite statement (reviewed yearly)
 - Risk related policies (reviewed in accordance with policy schedule)
 - Risk related procedures (reviewed in accordance with schedule)
 - Risk Register and identified Risk Management Strategies (reviewed at least yearly, as needed and when incidents occur)
- At operational level
 - Safety Work Method Statements (SWMS) (reviewed yearly)
 - Risk Activity Management Statements (RAMS) (created for any new clients/and or activities)
 - Client Risk Assessment and Clients Risk Management Plans (created at intake with at minimum a yearly review)

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- Incidents reports (reviewed and address as they occur and registered for audit purposes)

All risk management documents and templates are made available at any point to all employees through SharePoint.

Operational risks

At FCS, the main risks further than WHS have been identified as intrinsic to the clients. As a result, specific process will be put in place to identify and manage risks during the intake/onboarding stage of the relationship with FCS's clients. As a result of an intake process, the CEO or delegate is the sole decision maker as to if services will be provided to said clients.

Training

At induction and on a yearly basis, FCS ensures that all employees are trained on the organisation's risk management framework/policies/ procedures as well as the tools they must use to manage risks

Related Documents:

Risk Appetite Statement.

Risk Register.

Business Continuity and Crisis Management Policy.

Management of Workplace Health and Safety Risks Policy.

References:

Human Services Quality Framework (Standard One: Governance and Management)

Scheduled Review Date:

This policy will be reviewed as required, within no later than five (5) years from date of authorisation.

Authorisation:

Initially Approved by directors on 06/10/2022.

Changes History

Date	Summary of changes	Responsible individual
04/10/22	Creation of Policy	Mickael Blanc
06/10/22	Review	Jay Harrison
12/12/2024	Review as suggested by the NDIS auditor and best practice	Mickael Blanc

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