



Scout Association of Australia
Western Australian Branch

BRANCH RISK MANAGEMENT SYSTEM

RISK MANAGEMENT SYSTEM



This is a special purpose document for Volunteers and Staff of the Scout Association of Australia, Western Australian Branch hereinafter referred to as Scouts Australia (WA Branch). This document outlines the policy for Scouts Australia (WA Branch) in Risk Management and as such is the reference document for Volunteers and Staff

‘The organisation’s Management Committee shall define and document its policy for risk management, including objectives for, and its commitment to, risk management. The risk management policy shall be relevant to the organisation’s strategic context and its goals, objectives and the nature of its business. Management will ensure that this policy is understood, implemented and maintained at all levels of the organisation.’

Australian/New Zealand Standard 4360:1999 – Risk Management

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For

The Scout Association of Australia, Western Australian Branch, Branch Management Committee

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RISK MANAGEMENT SYSTEM

CONTENTS

INTRODUCTION

PART ONE - POLICY STATEMENT AND DEFINITIONS

- 1.1 POLICY STATEMENT
- 1.2 DEFINITIONS

PART TWO - RESPONSIBILITIES

- 2.1 MANAGEMENT COMMITTEE OF SCOUTS AUSTRALIA (W A BRANCH)
- 2.2 GENERAL MANAGER AND CHIEF COMMISSIONER SCOUTS AUSTRALIA (WA BRANCH)
- 2.3 AUDIT SUB COMMITTEE SCOUTS AUSTRALIA (WA BRANCH)
- 2.4 MANAGERS - VOLUNTEERS AND STAFF
- 2.5 VOLUNTEERS AND STAFF

PART THREE - RISK MANAGEMENT PROCESS

- 3.1 RISK MANAGEMENT MODEL
- 3.2 RISK ASSESSMENT
 - 3.2.1 ESTABLISH THE CONTEXT
 - 3.2.2 IDENTIFY RISKS
 - 3.2.3 ANALYSE RISK
 - 3.2.3.1 CAUSES
 - 3.2.3.2 LIKELIHOOD
 - 3.2.3.3 CONSEQUENCES
 - 3.2.3.4 RISK IMPACT RATING
 - 3.2.4 EVALUATING RISK
- 3.3 RISK TREATMENT
 - 3.3.1 TREATMENT OPTIONS
 - 3.3.1.1 AVOID THE RISK
 - 3.3.1.2 REDUCE THE LIKELIHOOD OF OCCURRENCE
 - 3.3.1.3 REDUCE THE CONSEQUENCES
 - 3.3.1.4 TRANSFER THE RISK
 - 3.3.1.5 RETAIN THE RISK
 - 3.3.2 ASSESSING TREATMENT OPTIONS
- 3.4 MONITOR AND REVIEW, COMMUNICATION AND CONSULTATION

PART FOUR - GUIDELINES

- 4.1 OVERVIEW
 - 4.1.1 THE THREE LEVELS
 - 4.1.2 REFERRING RISK
 - 4.1.3 REQUIREMENT TO COMPLETE A RISK ASSESSMENT AND ACTION PLAN
 - 4.1.4 ASSISTANCE
 - 4.1.5 RISK REGISTER
- 4.2 RESIDUAL RISK
 - 4.2.1 APPLYING STANDARD TREATMENT OPTIONS
 - 4.2.2 RE-RATING AFTER TAKING ACTION
 - 4.2.3 UNACCEPTABLE RESIDUAL RISK
- APPENDIX A CONSEQUENCE PRACTICAL EXAMPLES

RISK MANAGEMENT SYSTEM

INTRODUCTION

Over recent years within the Western Australian community there has been a greater emphasis on accountability and care in the way that all 'service agencies' (private and public) conduct their business and deliver their services. As a not-for-profit, volunteer based organisation which delivers non-formal education programs to young people, we are committed to ensure that we maintain those highest standards expected by the general community.

For over 80 years, Scouting has been an important and successful part of the Western Australian community. We provide non-formal educational and recreational programs which help young people to develop emotionally, spiritually and physically. Scouts Australia (WA Branch) has always placed a high emphasis on its ability to deliver these programs in practical and safe environments.

Risk Management has always been a strong focus for the Association in its delivery of programs for young people. This policy paper formalises the risk management processes already in place and importantly, incorporates those that have traditionally been classified as general management practises outside the 'risk management' framework. Additionally, new processes designed to align more formally with the *Australian/New Zealand Standard 4360:1999 – Risk Management* (the standard) have been incorporated to present a single, comprehensive policy paper for the Association.

The broad approach outlined in Scouts Australia (WA Branch) Risk Management System policy paper, including definitions and processes, is based on information contained in 'the standard'.

Risk is inherent in most aspects of everyday life, whether it involves driving a motor vehicle, riding a bicycle, managing a project, dealing with clients, determining work priorities, purchasing new systems and equipment or deciding not to take any action at all. We all manage risk continuously, sometimes consciously and sometimes without realising it, but not always in a systematic way. At times the nature of risk is apparent, such as in conducting an abseiling exercise, at other times, risk will not be so apparent and may manifest in the form of new legislation or policy change.

Risk management is fundamental to all volunteer and staff managers of Scouting and there is a need to manage all organisational functions and activities systematically. This includes managing risks that are both internal and external to Scouts Australia (WA Branch). For example, the **same systematic approach** can be used to minimise and manage the risks associated with running a major youth event as that to managing the introduction of new privacy legislation or our position in a new electricity market.

Risk 'assessments' can be used as a means of enhancing planning by indicating benefits and consequences that may result if the proposal or plan is not adopted or endorsed. This policy paper details how assessments on identified risks should be documented as a risk statement where the level of residual risk may be high or may present a threat to the organisation. Once an assessment is made of this nature, further action may be required at another level in the organisation in order to minimise or remove this residual risk.

Risk Management is an iterative process consisting of steps, which, when undertaken in sequence, enable continual improvement in decision making. This policy is reviewed annually.

PART ONE

POLICY STATEMENT AND DEFINITIONS

1.1 POLICY STATEMENT

- 1.1.1** As a contemporary and responsible organisation, Scouts Australia (WA Branch) is committed to risk management in order to achieve its goals and maximise the effectiveness and efficiency of its services and dealings with its youth membership, the community, volunteers, government, employees and infrastructure.
- 1.1.2** Scouts Australia (WA Branch) Risk Management System is designed to give assurance that notwithstanding our activities may contain elements of risk, the levels of residual risk are acceptable in that effective controls are in place **and in operation** to minimise the potential for harm or loss to the organisation or to its constituents.
- 1.1.3** Scouts Australia (WA Branch) Risk Management System requires all volunteers and staff to be 'risk aware' in the context of management systems, planning processes and practices. This policy has been distributed to all managers of 'Scouting'. In addition, regular training sessions, which include 'risk management' exercises, are regularly conducted as part of volunteer and staff training.
- 1.1.4** Scouts Australia (WA Branch) Risk Management System has been developed in conjunction with Scouts Australia National guidelines and in accordance with 'the standard'.

1.2 DEFINITIONS

- Aim** Scouts Australia (WA Branch) provides non-formal educational and recreational programs which help young people to develop emotionally, spiritually and physically. Scouts Australia (WA Branch) provides these services and conducts its business in practical and safe environments designed to negate harm or loss to its constituents or to the organisation.
- Area of Risk** Any events, activities or circumstances that can adversely affect the achievement of the Scouts Australia (WA Branch) aim.
- Consequence** The result of an occurrence. In the context of risk management a consequence can be a positive outcome (such as the identification of the need for improvement in a process) or a negative impact (such as harm or loss).
- Constituents** Those people and organisations who may affect, be affected by, or perceive themselves to be affected by, a decision or activity conducted by Scouts Australia (WA Branch).
- Context** The scope of an activity or function according to organisational importance.

Controls	Policies, practices, standards, procedures and physical changes which are implemented to eliminate or minimise the adverse effects of risk.
Core Activities	The Scouts Australia Program and its associated activities designed to promote the development of young people.
Harm	A negative consequence – financial or otherwise. The harm need not be exclusive to Scouts Australia (WA Branch); it may affect the public, government or other agency/organisation.
Impact	The combined effect on an organisation of the likelihood and consequences of the risk occurring.
Likelihood	The probability or frequency with which an event may occur.
Loss	A negative consequence – financial or otherwise. The loss need not be exclusive to Scouts Australia (WA Branch); it may affect the public, government or other agency/organisation.
Managers	All managers of Scouts Australia (WA Branch). This includes Commissioners, Committee Chairpersons, Directors and Co-ordinators of Events, Group Committee Chairpersons, Group Leaders, and Executive Officers of the Association.
Residual Risk	The remaining levels of risk after controls and treatments have been applied.
Risk	The chance of something happening that will have an impact on the aim or objectives. It is measured in terms of consequences and likelihood.
Risk Assessment	A systematic process which includes discovering risk exposure, assessing the impact of the exposure and determining if the exposure is acceptable, based on management priorities, predetermined standards and other specific criteria such as target risk levels.
Risk Awareness	Being observant and proactive in looking for opportunities to mitigate risk.
Risk Management	A systematic use of management policies and processes designed to measure, monitor and manage risk and develop a culture within Scouts Australia (WA Branch) which is mindful of potential opportunities and adverse effects.
Risk Register[#]	A centralised database of identified risks and associated mitigating plans (Part Four).
‘The Standard’	<i>Australian/New Zealand Standard 4360:1999—Risk Management.</i>
Treatment	The selection and implementation of appropriate options for dealing with and mitigating risk.

PART TWO

RESPONSIBILITIES

2.1 BRANCH MANAGEMENT COMMITTEE SCOUTS AUSTRALIA (WA BRANCH)

The Scouts Australia (WA Branch) Branch Management Committee is responsible for:

- overseeing the operation of Scouts Australia (WA Branch) Risk Management System;
- evaluating the results of the Risk Management System;
- directing the Risk Management System as required; and
- providing advice to the General Manager and the Chief Commissioner Scouts Australia (WA Branch) on risk management issues.

2.2 GENERAL MANAGER AND CHIEF COMMISSIONER SCOUTS AUSTRALIA (WA BRANCH)

The General Manager is responsible for ensuring that the risk management system detailed in this policy is implemented by Scouts Australia (WA Branch). The Chief Commissioner is responsible for ensuring that the processes and practises referred to in this policy are adopted by all volunteers. The General Manager (in conjunction with the Chief Commissioner) is responsible for:

- ensuring that risk management is integrated into all volunteer and business planning processes and work practices;
- ensuring that appropriate resources are budgeted for and allocated to risk management;
- the provision of appropriate risk management training for volunteers and staff;
- ensuring that communication and consultation takes place with volunteers and staff at all levels in relation to risk management issues; and
- the maintenance of the 'Risk Register'.

2.3 AUDIT SUB COMMITTEE SCOUTS AUSTRALIA (WA BRANCH)

The Audit Sub Committee is responsible for:

- ensuring that the Scouts Australia (WA Branch) Risk Management System is audited for compliance, quality and relevance against 'the standard' on an annual basis;
 - auditing the Risk Register[#];
 - assisting the General Manager and Chief Commissioner Scouts Australia (WA Branch) in their responsibilities.
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2.4 MANAGERS (VOLUNTEERS AND STAFF)

All managers of Scouts Australia (WA Branch) are responsible for ensuring that:

- this risk management policy as well as the procedures and processes referred to under this policy are effectively communicated to volunteers and staff who operate in 'areas of risk' (as defined) as appropriate. Managers at all levels are responsible for ensuring that volunteers and staff engaged in 'Scouting business' are aware of the principles contained in this policy,
- all activities under their supervision are performed in accordance with the Scouts Australia (WA Branch) risk management policy,
- where appropriate, referral of risk advice to the next appropriate level within the organisation occurs, and
- risk controls and treatments are effectively applied within their own 'areas of risk'.

2.5 VOLUNTEERS AND STAFF

All volunteers and staff are responsible for:

- actively supporting and contributing to risk management initiatives,
- obeying reasonable instructions given by supervisors and managers in relation to risk management,
- advising their supervisors/managers of any risk issues that require attention, and
- acting at all times in accordance with the 'aim' as defined in this policy.

PART THREE

RISK MANAGEMENT PROCESS

3.1 RISK MANAGEMENT MODEL

Risk management is the process of identifying, analysing, evaluating and treating risk, as depicted in figure 3.1, Risk Management Model.

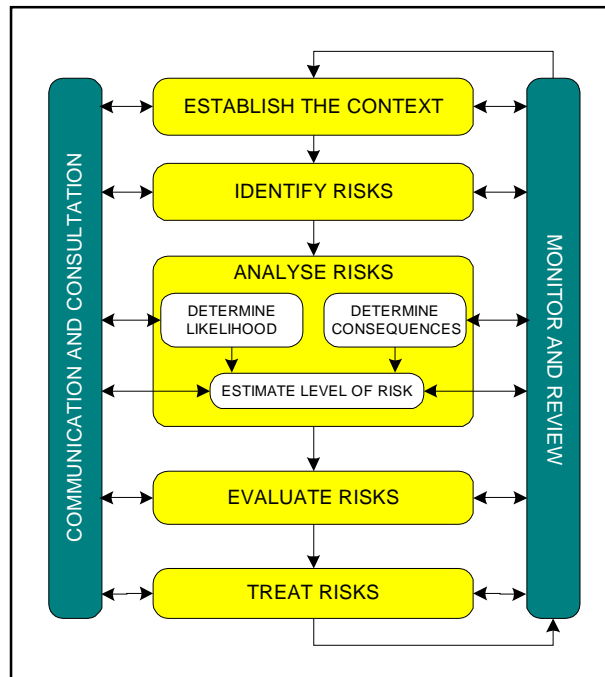


Figure 3.1 – Risk Management Model

3.2 RISK ASSESSMENT

The elements of risk assessment for any activity or function are:

- **Establish the Context**
- **Identify Risks**
- **Analyse Risks**
- **Evaluate Risks**

3.2.1 Establish the Context

In establishing the context of any risk assessment, the key questions to consider are:

- Who are the stakeholders?
- What are the strategic goals and strategies of the organisation?
- Where does this risk assessment fit?
- Is there an acceptable level of risk?

- What structure (break-down) should be applied to this assessment?

The answers to these questions will determine the importance of the assessment to Scouts Australia (WA Branch) as an entity. Additionally, the results of the above analysis will assist in determining the level at which further consultation during the remaining steps of the assessment is required (ie; Branch level, District, Group, Event, Corporate, etc). The resultant **context** of the assessment, does not in any way diminish the importance of individuals going about their daily tasks with an attitude of risk awareness. For example, if the **context** of a particular assessment proves to be wholly at the Branch level, it still remains important for the organisation that individuals at all levels be aware of the risks associated with the activity or function and their potential implications.

If, during the establishment of the **context**, it is determined by the assessor that a level of residual risk is unacceptable, **this must be brought to the attention of the next highest volunteer or staff manager for further assessment**. This is to ensure that during the process, risks are not disproportionately rated, prioritised and resourced-against through individual perceptions or biases.

3.2.2 Identify Risks

Most of Scouts Australia (WA Branch) activities and initiatives will be comparatively straightforward, comprising no more than routine 'core-activities' or business processes. In these circumstances, the process of identifying and analysing risk is directly comparable with that already well-practised by all levels of volunteer and staff management.

In most cases, risks can be identified by asking **“what are the potential negative consequences (harm or loss) that could result from this activity or function?”**. In many cases one singular risk may be apparent. This may complete the process of risk identification for that particular activity or function.

Where the activity is more unusual and/or complex, the nature and level of any associated risks may not be so obvious. In these cases, a more structured approach to identifying and assessing the potential for risk may be required. This approach is necessary to analyse what, how and why things can arise. For example; if asking the above question presents a series of risks, each risk in itself may need to be similarly questioned, ie; **“are there any new risks that arise as a consequence of those risks already identified manifesting?”**. In these cases, it may be beneficial for the assessor to tabulate the results so that they are more readily apparent.

3.2.3 Analyse Risk

Analysing risk is necessary to establish the probable **impact** (see definitions) of the risk on organisational objectives. This is achieved by determining the causes of the risk and then calculating the likelihood and the consequences of the risk manifesting.

3.2.3.1 Causes

Consider what factors such as activities, practices, processes, compliances, liabilities, influences or obligations contribute to the

risk. A vital step in controlling risk is realistically and objectively identifying the actual causes of the risk, to enable a more accurate forecast of negative impacts that are to be assessed. It also enables required actions and treatments to be directly targeted and applied to those causes in an effective/efficient manner.

3.2.3.2 Likelihood

Consider the frequency or probability of the risk manifesting.

Likelihood can be assessed from various sources, including:

- past records and statistical analysis
- relevant experiences, specialist and expert judgements
- testing of equipment
- research literature

Table 3.2, **Likelihood Rating Table**, should be used to estimate the likelihood of the event occurring.

LIKELIHOOD	DESCRIPTION
Almost Certain	The event is expected to occur in most circumstances.
Likely	The event will probably occur in most circumstances.
Possible	The event might (or should) occur at some time.
Unlikely	The event could occur at some time.
Rare	The event may only occur in exceptional circumstances.

Table 3.2 – Likelihood Rating Table

3.2.3.3 Consequences

Consider what will happen if the event occurs.

Consequences should always be determined from the organisational perspective (context). It is imperative that the organisation as an entity can withstand and recover from any negative impact that may result from its risk exposure.

Table 3.3, **Risk Consequence Table**, should be used to estimate the probable consequences of an event by selecting an appropriate consequence level. (Refer to Appendix A, Consequence Practical Examples).

When using the Risk Consequence Table consider the impact any risk would have on the **aim** of Scouts Australia (WA Branch) - see definitions - as well as the impact upon the objectives of the particular activity or function.

CONSEQUENCE	DESCRIPTION
Insignificant	Low level impact with negligible consequences on the Branch aim or activity objectives that can be controlled by routine management procedures (no injuries, negligible financial loss or disruption to non-essential infrastructure/data).
Minor	The consequences would threaten the efficiency or effectiveness of achieving some aspects of the Association's aim or activity objectives, requiring management effort to minimise impact (minimal financial loss, injuries requiring first aid only, minor political impact or disruption to non-essential infrastructure/data).
Moderate	A significant/medium potential of affecting the achievement of the Association's aim or activity objectives (moderate financial loss or political impact, injuries requiring medical treatment only, medium term loss of some essential infrastructure/data).
Major	A very high potential to impair the achievement of the Association's aim or activity objectives (major financial loss or political impact, significant occupational, health, safety and welfare incident/s, long term loss of some critical infrastructure/data).
Catastrophic	An extreme potential to threaten the sustainability of the organisation or its aims and activities (huge financial loss or political impact, very serious occupational health, safety and welfare incident/s, permanent loss of critical infrastructure/data).

Table 3.3 – Risk Consequence Table

3.2.3.4 Risk Impact Rating

Combining the estimates of the **likelihood** and **consequences** of the event occurring, it is possible to calculate the level of the risk that will result from the event, by assigning a Risk Impact Rating using the Risk Analysis Matrix in table 3.4.

	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
Almost Certain	Significant	Significant	High	High	High
Likely	Moderate	Significant	Significant	High	High
Possible	Low	Moderate	Significant	High	High
Unlikely	Low	Low	Moderate	Significant	High
Rare	Low	Low	Moderate	Significant	Significant

Table 3.4 – Risk Analysis Matrix

3.2.4 Evaluating Risk

Having analysed the risk you must decide whether to accept the level of residual risk.

Table 3.5, **Risk Priority Table**, should be used to assign a priority and action required for the level of the risk.

RISK PRIORITY	ACTION
High	A high risk is one that must be dealt with immediately. Executive management normally monitors high risks.
Significant	A significant risk is one that should be dealt with after attending to high level risks. Senior managers normally monitor significant risks.
Moderate	A moderate risk is one that can be dealt with by applying routine procedures and is normally dealt with by local managers at the Branch/Group level.
Low	Risks in this category <i>may</i> be accepted but should be monitored periodically to ensure the rating does not change.

Table 3.5 – Risk Priority Table

The decision to accept a risk without further assessment or treatment, will need to be made on the basis of the likelihood and consequences of the risk occurring, and the ability of Scouts Australia (WA Branch) to absorb or recover from the risk exposure should the risk manifest.

Where the level of the risk is not accepted, further actions and treatments will be needed to reduce any residual risk levels to as low as possible before the risk is finally accepted and signed off.

3.3 RISK TREATMENT

Risk treatment involves selecting a treatment option, assessing the appropriateness and effectiveness of the treatment option, preparing treatment plans and implementing them. Accountability for taking, or for not taking action remains with the manager approving the preferred option.

3.3.1 Treatment Options

The treatment options are:

- avoid the risk
- reduce the likelihood of occurrence
- reduce the consequences
- transfer the risk
- retain the risk

3.3.1.1 Avoid the Risk

Occasionally, a risk will be able to be avoided by not proceeding with the activity likely to generate the risk. This should not be the automatic preferred option (unless the risk is evaluated as High/Certain/Catastrophic with no mitigating options).

Risk avoidance can occur inappropriately because of an attitude of risk aversion (failure to accept any risk, or worse, not recognising risks at all). Inappropriate risk avoidance can increase the significance of other risks. Risk aversion results in:

- decisions to avoid or ignore risks regardless of the information available and potential costs incurred in treating those risks;
- failure to treat risk;
- leaving critical choices and/or decisions up to other parties;
- deferring decisions that the organisation cannot avoid; or
- selecting an option because it represents a potential lower risk regardless of the benefits.

3.3.1.2 Reduce the Likelihood of Occurrence

Exposure to risk may be limited by reducing or controlling the likelihood of an event occurring.

The following may reduce or control the likelihood of a risk occurring:

- policies and procedures
- audit, compliance, inspections and process controls and programs
- contract conditions
- formal reviews of requirements, specifications, design, engineering and operations
- project management
- preventive maintenance
- quality assurance, management and standards
- research and development, and technological development
- structured training programs
- supervision
- testing
- technical controls

This list is neither exhaustive nor exclusive—other options may be apparent.

3.3.1.3 Reduce the Consequences

Preparations to reduce, control or mitigate the consequences of a risk event can aid in making a particular risk more acceptable.

The following may reduce or control the consequences of a risk:

- contingency planning
- contractual arrangements/conditions
- design features
- engineering and structural barriers
- fraud control planning
- minimisation of exposure to sources of risk

- separation or relocation of an activity and resources
- reserving resources
- public relations

This list is neither exhaustive nor exclusive—other options may be apparent.

3.3.1.4 Transfer the Risk

Transferring the risk involves another party bearing or sharing some part of the risk. Risk transfer mechanisms include the use of contracts, insurance arrangements and organisational structures such as partnerships and joint ventures.

Transferring risk to other parties or physically transferring the source of risk to another location may reduce the risk to Scouts Australia (WA Branch), but may not reduce the overall level of risk to its constituents.

3.3.1.5 Retain the Risk

After risks have been reduced or transferred, residual risks may remain. Plans should be put in place to manage the consequences of these risks.

Risks may also be retained by default, for example a low-level risk that is considered acceptable for Scouts Australia (WA Branch) to carry, or where there is a failure to identify and/or appropriately transfer or otherwise treat a risk.

3.3.2 Assessing and Implementing Treatment Options

Generally, the objective is to reduce the levels of residual risk as much as is reasonably possible (irrespective of any absolute criteria). Selection of the most appropriate treatment option must consider balancing the benefits against the cost of implementation. Options should be assessed on the basis of the extent that risk is reduced and any additional benefits or opportunities created.

Ideally, the responsibility for treatment of risk should be borne **by those best able to control the risk**. Responsibilities should be agreed between the parties at the earliest possible time. If after treatment there is residual risk, a decision shall be taken as to whether to retain this risk or repeat the risk treatment process.

AS OUTLINED EARLIER, THE LEVEL AT WHICH DECISIONS REGARDING RISK TREATMENT (SEE DEFINITIONS) ARE MADE, SHOULD COMMENCE WHERE THE RISK IS BEING DIRECTLY MANAGED, PROGRESSING UPWARD OR DOWNWARD DEPENDENT ON THE RISK PRIORITY DETERMINED IN TABLE 3.5.

3.4 MONITOR, REVIEW AND COMMUNICATION

Procedures and networks for monitoring, reviewing, and communication about risk management are established as part of this process. Relative responsibilities are outlined in **Part Two, Responsibilities**.

PART FOUR

GUIDELINES

4.1 OVERVIEW

The Risk Management Model outlined in **Part Three** essentially divides 'Risk Management' into two categories, namely, **RISK ASSESSMENT** (involving the Context, Identification, Analysis and Evaluation of risks) and a **MANAGEMENT** process (involving risk Treatment, Monitoring, Reviewing and Communication). The total process is also referred to as **RISK MANAGEMENT**.

Part Four, provides some useful guidelines for volunteers and staff to better understand how the total process can be used at all levels of planning within the organisation.

4.1.1 The Three Levels

Scouts Australia (WA Branch), like other large organisations, comprises three essential levels from which Risk Management can be approached. These are:

- § Individual Members,
- § Managers (of people and resources), and
- § Whole-of-Organisation.

A useful guide when assessing and managing risk at all levels is to consider any issue from the perspective of "One-Up" and "Two-Down". This means that a Group Leader might consider the direct effect of a risk manifesting to his/her Scouting Sections and also to the individuals in them (Two Levels-Down). At the same time, the Group Leader might also consider what effect, if any, it may have on the District organisation (One-Up). Similarly, a major Branch Event Co-ordinator may consider the direct risks to the event itself, and to the participants (and plan to minimise these risks), but should also consider the effect of these risks on the Association as a whole.

In other words, if all individual members are risk aware in their own planning processes, and refer risks to the next higher level (where appropriate) through a 'Two-Down', 'One-Up' approach, the likelihood of omitting to treat a risk or to miss the opportunity to apply the treatment more widely across the organisation is greatly reduced.

Individual members can all have a role to play in this process through:

- § being observant,
- § taking ownership and responsibility,
- § bringing their own experiences to planning, and
- § being pro-active in reducing risk by considering "Two-Down, One-Up".

4.1.2 Referring Risk

If during the process of Risk Assessment (at any level) a risk presents as **High** this risk should be notified to Branch HQ immediately, either directly, or through a Branch Commissioner. If the impact assessment of a risk is classed as **Significant** and could have **major** or **catastrophic** ramifications for the Association, Branch HQ should be notified during the planning phase.

Importantly, volunteers and staff may, and are encouraged to, refer any risk to the next higher level for assessment regardless of whether a Risk Assessment has been commenced. This means that any member may make a notification based on their own knowledge and experience without reliance on any formal process.

Notifications to Branch HQ will require:

- § the name and contact of the originator,
- § details of the manager responsible for the risk,
- § the event or activity containing the risk,
- § the nature of the risk,
- § the rating of the risk (if known),
- § intended actions by the responsible manager, and
- § expected completion date of required actions or treatments.

4.1.3 Requirement to Complete a Risk Assessment and Action Plan

Risk Assessments and Action Plans may take the form of existing procedural documents and checklists (for routine, core activity) to more complex studies specific to a particular event, activity or function.

As indicated in Part Two, all persons within Scouts Australia (WA Branch) have responsibility for managing risk. Accordingly, Risk Assessments and Action Plans may be developed at any level of the organisation.

Risk Assessments and Action Plans are required in the following circumstances, irrespective of the perspective from which the risk is being addressed:

- § before commencing any event, youth activity or new business function,
- § when a new risk is identified in a current activity or function; or
- § at the discretion of managers for any event, activity or function which is perceived to present exposure to risk.

4.1.4 Assistance

Assistance in any Risk Management process (for core-activities) is available through the volunteer structure of the Association as well as through Branch HQ.

4.1.5 Risk Register

As Risk Assessments and resultant Action Plans are developed for various activities and functions at the Branch level (and those developed at lower levels, but referred upward through the structure), they are collated to form the Scouts Australia (WA Branch) Risk Register.

This Register is a centralised database incorporating the following:

#Risk Register

The Risk Register is an integral part of the Risk Management Model. The data contained in this Register incorporates the following categories:

- Core youth activities [*Scouts Australia (WA Branch) Safety Standards and Procedures and other checklist*]
- Corporate/Strategic [*Scouts Australia (WA Branch) Strategic Planning Documentation, Privacy, Audit and other Policies*]
- Policy and Rules
- Financial [budget management procedures]
- Human Resources [*Scouts Australia (WA Branch) Volunteer and Staff management policies*]
- Child Protection Procedures
- Property/Asset management [*Scouts Australia (WA Branch) Property Management Guidelines*]
- Information technology
- Individual Risk Assessments raised for various events and functions

Within each category, areas of risk are identified, for which mitigating plans are formulated. The risk register incorporates risk management processes such as the Scouts Australia (WA Branch) Operational Procedures & Policy Manual (OP&PM) and other risk mitigating documents raised by the Association.

4.2 RESIDUAL RISK

4.2.1 Applying Standard Treatment Options

Refer to 3.3 'Risk Treatment' of PART THREE 'Risk Management Process' for treatment options and how to assess for the most appropriate option.

4.2.2 Re-rating after Taking Action

After taking action to treat or control the risk the same rating process must be applied to determine the level of residual risk. It is this residual risk which requires further decision. Essentially, the decision involves acceptance of the residual risk (after applying treatment options) and/or, referring the risk to the next higher level (**Para 4.1.2**).

4.2.3 Unacceptable Residual Risk

When the level of residual risk (after applying actions and treatments) remains unacceptably high and managers are not prepared to accept that level of residual risk, the activity or function is to be aborted. Whenever this occurs, Branch HQ must be advised so that this can be recorded in the Risk Register.

Attached as **Appendix A** is a chart entitled "Consequence Practical Examples" which may assist in placing this policy into perspective. The risk categories listed at Appendix A are presented as a guide only.

APPENDIX A

CONSEQUENCE PRACTICAL EXAMPLES							
CONSEQUENCE	MAJOR RISK CATEGORIES						
	Operations (Core Activities)	Property/ Asset Management	Financial	Human Resources	Occupational Health, Safety and Welfare	Corporate/ Strategic	Information Technology
Catastrophic	<p>Major breakdown of Scouts Australia (WA) ability to provide youth program.</p> <p>Significant adverse occurrence permanently damaging the reputation of Scouts Australia (WA Branch).</p>	<p>Permanent loss of a major building or loss of a critical function within a critical building (for example Branch HQ, Manjedal and/or Commercial Properties).</p> <p>Permanent loss of essential capital equipment.</p>	<p>Insufficient funding causing a significant failure in one or more core Scouts Australia (WA Branch) services.</p> <p>Permanent loss of income from major Branch business enterprises.</p>	<p>Large scale loss of human resources (volunteer and/or staff) resulting in an inability to deliver or maintain core services.</p>	<p>May cause death or total loss of one or more bodily functions (eg loss of sight or loss of a limb).</p>	<p>Inability to meet current and future statutory obligations.</p> <p>Insolvency.</p> <p>Inability to provide the Scout Program in WA.</p>	<p>Permanent loss of core business data, computing and/or communication facilities.</p>
Major	<p>Major incident with significant safety, financial or political ramifications.</p> <p>Occurrence which significantly damages the reputation of Scouts Australia (WA Branch).</p>	<p>Temporary loss of a major building or permanent loss of a secondary building (Scout Hall or secondary Manjedal premises).</p> <p>Temporary loss of essential capital equipment.</p>	<p>Insufficient funding causing delivery of core services to be impaired.</p> <p>Loss of capital reserves.</p>	<p>Partial loss of human resources resulting in degradation to service delivery.</p> <p>Inability to recruit sufficient volunteers and staff to maintain established strengths.</p>	<p>May cause severe injury, permanent partial loss or severe illness.</p>	<p>Inability to comply with essential government legislation or industry standards.</p> <p>Inability to expand the Scout Program in WA.</p>	<p>Partial loss of core business data, long duration disruption to computing and communication facilities.</p>
Moderate	<p>An incident which results in considerable safety, financial or political damage to Scouts Australia (WA Branch).</p> <p>Occurrence which damages the reputation of Scouts Australia (WA Branch).</p>	<p>Temporary loss of a secondary building.</p> <p>Breakdowns of essential capital equipment.</p>	<p>Inability to maintain recurrent funds causing some downturn in delivery of core services.</p>	<p>Short term loss of human resources.</p>	<p>May cause a "reportable" accident with longer term ramifications.</p>	<p>Difficulty in complying with government legislation and industry standards.</p> <p>Difficulty in achieving growth in WA.</p>	<p>Corruption of core business data, moderate duration disruption to computing and communication facilities.</p>
Minor	<p>An incident that is easily responded to through existing resources.</p> <p>Occurrence which may have impact on the reputation of Scouts Australia (WA Branch) at the local level.</p>	<p>Temporary loss of a minor building.</p> <p>Unavailability of minor equipment.</p>	<p>Funding reductions for one or more core activities or business programs.</p>	<p>Short term or minor personnel unavailability causing some inconvenience to individuals and the organisation.</p>	<p>May cause minor injury or illness.</p>	<p>Difficulty achieving the Scouts Australia (WA Branch) strategic plan and objectives.</p>	<p>Loss of non-core business data or short duration disruption to computing and communication facilities.</p>
Insignificant	<p>An incident having little effect on operations or are handled by normal processes.</p>	<p>Loss of function within a minor building.</p> <p>Breakdown of minor equipment.</p>	<p>Minor disruption to one or more programs.</p>	<p>Personnel shortages with negligible impact on Scouts Australia (WA Branch).</p>	<p>Very little effect on personnel health and safety may require first aid.</p>	<p>Difficulty achieving short term goals.</p>	<p>Minor corruption of non-core business data, battery failures and equipment reset.</p>

APPENDIX A