



# Healesville Community Renewable Energy Inc Governance05 - Risk Management Register

Policy Id	Governance05	Version	1.0
Policy Type	Governance	Subject	Risk Management Register
Approved	June 2020	Scheduled review	June 2023

## 1 Introduction

Healesville CoRE recognises the importance of pro-active risk management and has initiated the implementation of a risk management program which applies to the organisation. The Risk Management Policy (Governance01) provides guidelines to what to do if a potential risk is perceived and is addressed by this policy (Governance05).

## 2 Purpose

This policy describes the Risk Register that is held by Healesville CoRE in their risk management program. The Healesville CoRE Governance Officer maintains the Risk Register.

The Risk Register is used for communication of the risks with appropriate Healesville CoRE members and consultation where appropriate.

[The policy hyperlinks to a Risk Register which is a dynamic document that lists the risks which have been considered by Healesville CoRE. This paragraph is the hyperlink to Healesville CoRE Risk Register.](#)

This document describes the Risk Register in two stages. 1) What the Risk Register looks like (Section 3, Policy) and 2) How we get there (Section 4, Procedures)

## 3 Policy

The Risk Register has three components that are used for monitoring and review of risks that have been identified for the organisation. The three components are described in the below sub-paragraphs.

### 3.1 Risk List

The Risk List has summary details of each risk that is currently being monitored by Healesville CoRE. Every risk has a Risk Id which is assigned when that risk is first registered. The details shown for each risk are:

1. Risk Id
2. Risk Description
3. Impact of the risk (personal, organisational, financial or any other considered target)
4. Likelihood of the risk, as a value, where:
  - 1 = Rare (May occur only in exceptional circumstances),
  - 2 = Unlikely (Could occur at some time),
  - 3 = Possible (Might occur at some time),
  - 4 = likely (Will probably occur in most circumstances), and
  - 5 = Almost Certain (Is expected to occur in most circumstances).
5. Consequence of the risk, as a value, where:
  - 1 = Insignificant (Consequences can be absorbed but effort may be required to minimise impact),
  - 2 = Minor (Can be managed under normal operating conditions; requires moderate levels of resource and management input),
  - 3 = Moderate (Consequence is significant, additional attention required),
  - 4 = Major (Consequence is critical and affects achievement of the organisation or event; needs significant attention), and
  - 5 = Catastrophic (Disaster with severe affect to the organisation or event).
6. Seriousness of the risk. The Seriousness is determined by noting where the risk is shown on the Risk Matrix, as described in section 3.2, Risk Matrix, below). The Seriousness is a value, where:
  - 1 = Low (Will be managed through routine processes),

- 2 = Moderate (Can be managed and monitored),
  - 3 = High (Needs attention. An action plan is required),
  - 4 = Critical (Unacceptable. Immediate action is required to address the risk through mitigation).
7. Mitigation. This is a strategy that can be initiated to lower the risk likelihood and/or lessen the impact of the risk consequence. Mitigation is proposed to reduce Healesville CoRE's exposure to the risk.
  8. Mitigation Assessment. An analysis of the Likelihood, Consequence and Seriousness of the risk is done on the situation that would be in place after the described mitigation has been actioned. This is necessary to ensure that any proposed mitigation is effective action.
  9. Status, which can be:
    - Open (risk has been entered and is being reviewed and/or monitored),
    - Closed (risk is no longer considered to be a risk to the organisation because it has been resolved by mitigation action or by time or any other reason), or
    - Abandoned (this potential risk was considered by the Central Committee which decided that this is not a risk for Healesville CoRE)

### 3.2 Risk Matrix

The Risk Matrix is a five by five two dimension array where each column represents the Likelihood and each row represents the Consequence of the risk (see items 4 and 5 in section 3.1, Risk List, above). The Id of each risk is shown on the matrix, according to the Likelihood and Consequence. The below schematic shows that Risk 14 is likely to occur and has a minor consequence, Risk 22 is almost certain to occur and has a catastrophic consequence and Risk 25 is unlikely to occur and will have an insignificant consequence if it does occur.

		Likelihood				
		1 Rare May occur only in exceptional circumstances	2 Unlikely Could occur at some time	3 Possible Might occur at some time	4 Likely Will probably occur in most circumstances	5 Almost Certain Is expected to occur in most circumstances
Consequence	5 Catastrophic Disaster with the potential to end the objective. No achievement satisfied.					22
	4 Major Critical events affecting the achievement of the objective; needs significant attention					
	3 Moderate Event with significance, additional attention required					
	2 Minor Can be managed under normal operating conditions; requires moderate levels of resource and management input.				14	
	1 Insignificant Consequences can be readily absorbed but effort is still required to minimise impact		25			

The Risk Matrix also indicates the Seriousness of the risk by zoning the risk into one of four different zones, depending on the Likelihood and Seriousness of the risk. This is illustrated by the colour of the cell in the matrix as illustrated above.

The definition of each seriousness zone is shown below.

<b>4 Critical Zone</b>	A very high risk is unacceptable. Immediate action is required to address the risk through risk mitigation.
<b>3 High Zone</b>	A high risk needs attention. An action plan is required.
<b>2 Moderate Zone</b>	A medium risk can be managed and monitored
<b>1 Low Zone</b>	A low risk should be managed through routine process

### 3.3 Closed Risk List

The Closed Risk List shows each risk that has been monitored or reviewed by Healesville CoRE, and is now closed or abandoned. A risk is assigned a status of closed when it is no longer considered to be a risk to the

organisation. This will occur, for example, if the situation is time dependent for an event. A risk is assigned a status of abandoned if the Central Committee has reviewed the potential risk and decided this is not a risk for the organisation. Even though this was not considered to be a real risk, it remains on the Risk Register as a record that the subject was reviewed

When a risk is closed or abandoned, the details of the risk are moved from the Risk List (Section 3.1, above) to the Closed Risk List.

## **4 Procedures**

Healesville CoRE uses a standard procedure for assessment of each risk. This risk assessment enables each risk to be documented and recorded in the Risk List as described above in section 3.1, Risk List.

The risk assessment is a three-step process that is described in the sub-paragraphs below.

### **4.1 Risk Identification**

Any Healesville CoRE member or authorised volunteer may identify a risk for the organisation or for an activity that is part of Healesville CoRE's operations.

The person who perceives the risk potential communicates this to the Governance Officer or any Central Committee person. When they are advised of a risk possibility, the Governance Officer or Central Committee member will raise this at the next Central Committee meeting so that it is officially registered for Healesville CoRE evaluation.

The Governance Officer has ownership of managing the risk and maintaining the details in the Risk Register.

If the person believes that the risk should be addressed as soon as possible, then this risk should be advised to a minimum of 2 (other) Central Committee members including, if possible, the President. That group of 3 (minimum) people will decide on the appropriate action to be taken. This is prescribed in the Risk Management Policy (Governance01).

The Governance Officer will assign an Id to the risk and document this in the Risk Register. The Governance Officer will liaise with the person who identified the risk, and any other appropriate or affected party, and update the Risk Register with the risk description and impact.

### **4.2 Risk Analysis**

The Governance Officer will liaise with the person who identified the risk, and any other appropriate or affected party, and assign a likelihood of the risk occurring and what the consequence of the risk will be if it occurs. Sections 4 and 5 in 3.1, Risk List, above, explain the values that are used for this.

The Governance Officer will update the Risk Register with the risk assessment details of Likelihood, Consequence and Seriousness.

### **4.3 Risk Evaluation**

The Governance Officer will liaise with the person who identified the risk, and any other appropriate or affected party and evaluate the risk details that have been recorded. If they are satisfied that the Description, Impact and Assessment are accurate, they will consider what action/s could be taken to reduce the likelihood or consequence of the risk. This detail is entered in the Mitigation column for that risk.

These people will then do an assessment of the risk if the described mitigation was actioned. This is the same process as in section 4.2, Risk Analysis, above.

The Governance Officer will update the Risk Register with the mitigation assessment details of Likelihood, Consequence and Seriousness

The Governance Officer will monitor each risk and ensure that there is regular review by the Central Committee.

## **5 Related Documents**

Governance01 – Risk Management

Management01 - Central Committee Structure