



## **RISK MANAGEMENT POLICY**

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## **PURPOSE**

To implement a Risk Management Plan to identify, analyse, assess, manage and monitor risks to the BSWA in a cost-effective manner.

To approach risks to the organisation in a systematic and calculated manner so as to treat, avoid or minimise any emerging or potential risks. Managing identified risks properly will protect the Buddhist Society of Western Australia (Inc.) and will give management, staff, volunteers, and members the confidence to pursue the organisation's mission without fear of legal action or harm and enhance their safety security and environment

## **DEFINITIONS**

**A risk** is the possibility or likelihood of something happening which may have a negative impact on BSWA's capacity to deliver on its strategic and operational plans. or harm to its people, the public or the environment.

**Risk management** is the process which is used to avoid, reduce, or control risks and exposure to potential liabilities. It does this by identifying risks to prevent or reduce them, and by providing for funds to meet any liability if it occurs.

**Risk Register** is a list of all identified risks that can affect the operation of the BSWA.

**Duty of Care** is the responsibility of persons to bring to the attention of management any new risks identified.

## **POLICY**

BSWA complies with Australian State and Federal law; the requirements of its Governance obligations as a Charity; and any further regulatory requirements. BSWA identifies and manages risks in a systematic and cost effective manner mindful to be efficient and yet not too bureaucratic.

## **PROCEDURE**

There will be a series of planned and phased risk assessments performed during the Calendar Financial year.

A risk register and reports will be provided to the Committee for sign-off at on a quarterly basis. Any remediation work required will be prioritised, resourced, and carefully monitored by the full Committee.

Types of risks: Legal, Organisational, activities and events

Examples of risks include:

- Reputational damage to the society such as unfavourable publicity
- Noncompliance with Federal and State legislation, in particular ACNC, OHSE, and ATO regulations.
- Inadequate training and support to the elected committee members of BSWA – the Responsible Persons.

- Threats or harm caused to management committee, Sangha, staff, volunteers, members or the public.
- Loss of Federal and State Government concessions including funding; tax concessions; and indirect financial benefits (Donor Gift Recipient status).
- The maintenance and upkeep of all Facilities and Asset Registers with special regard to Occupational Safety, Health and Environmental Standards.
- Inadequate allocation of resources, e.g. human, physical and financial to satisfy the Strategic and Operational activities of the Society.
- Inadequate reserves for operations, continuity planning and contingencies.
- Deficiencies in financial controls and reporting
- Financial mismanagement and or fraud.
- Breaches of confidentiality.or contractual responsibility
- Major service disruptions to activities, or closure.
- Conflicts of interest and negligence
- Failure of vital equipment such as computer, IT or AV communications
- Mismanagement and negligence
- Recruitment of unqualified staff or volunteers

### **WHY MANAGE RISKS?**

- Risk management is a fundamental part of sound organisational management and a requirement under Federal and State law.
- The BSWA will not be able to eliminate all risks but can take active steps to prevent or minimise the likelihood level and impact of risk by developing a Risk Management Plan.
- To evaluate and prioritise risks and identify treatment options to minimise these risks
- To evaluate which strategies are the most cost effective/efficient
- An annual risk management plan should be prepared and reviewed annually as part of the Risk Management process.

By managing risks, the BSWA is better placed to:

- Maintain and improve confidence and public perception of the organisation
- Protect the safety and wellbeing of Sangha, staff, committee, volunteers, members and visitors.
- Provide efficient and effective service delivery to all its activities and interactions.
- Manage and maintain facilities and equipment.
- Operate within the allocated budgets.
- Protect or reduce likelihood of legal action.
- Comply with legislative or funding requirements.
- Identify areas requiring urgent attention.
- Provide re-assurance to the membership of the good process and controls within the society.
- Encourage a modicum of long-range oversight on important planned future activities such as new Monasteries and Renovations.
- Prevent financial mismanagement and fraud

### **RESPONSIBILITIES FOR RISK MANAGEMENT**

All employees, committee members, subcommittee members, volunteers, and subcommittee leaders are responsible for identifying, reporting, and managing risks.

## **COMMITTEE MEMBERS**

- The Committee shall approve and sign off the annual Risk Management Plan and the quarterly required actions.
- Implement and maintain sound risk management i in their work areas. This includes creating a culture and environment in which everyone is encouraged and supported to identify and manage risks. and increase safety
- Explains Risk Management requirements and OHSE are to be explained to all volunteers, committee, contractors and staff through a planned communication process, including inductions and safety training.
- Maintain and report identified risks into the Risk Register every 3 months.

## **SUBCOMMITTEE CHAIRS**

- Report regularly on assessment and management of risks in their work area, and advise the full Committee in a timely and accurate fashion.
- Establish reasonable checklists and procedures for risk management in their area using the initial BSWA Risk matrix (to be attached). As Risk weights change recommendations to update the Risk matrix accordingly are to be made to the Operations Manager.
- Maintain and report identified risks for their work area every quarter to the Operations Manager and Committee to update the ***Risk Register***.
- Implement and maintain sound risk management i in their work areas. This includes creating a culture and environment in which everyone is encouraged and supported to identify and manage risks. and increase safety
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- Explains Risk Management requirements and OHSE are to be explained to all volunteers, committee, contractors and staff through a planned communication process, including inductions and safety training.
- Reporting of identified risks into a Risk register

## **OPERATIONS MANAGER**

- Review all risks identified and the measures proposed or undertaken to manage them.
- Identify any new risks with new activities/events etc.
- In conjunction with the Committee, monitor and evaluate the implementation of the Risk Management Plan and Risk Register.
- Implement and maintain sound risk management i in their work areas. This includes creating a culture and environment in which everyone is encouraged and supported to identify and manage risks. and increase safety
- Explains Risk Management requirements and OHSE are to be explained to all volunteers, committee, contractors and staff through a planned communication process, including inductions and safety training.

## **RISK MANAGEMENT PROCESS**

### **STEP 1 - ANALYSE THE CONTEXT**

- Consider the environment in which BSWA operates to establish the boundaries in which risks must be managed and guide decisions on managing risks.

- The financial, operational, competitive, political, public perception/image, social, cultural and legal aspects of the organisation's functions are all part of the risk management context.

## **STEP 2 - IDENTIFY THE RISKS**

- Identify the risks (what can go wrong) that arise from all aspects of the environment outlined in Step 1. Including:
  - community perception/image
  - political (e.g. government tax concessions, funding and regulatory impost)
  - multicultural and language difficulties
  - physical and environmental
  - financial
  - legal
  - ethical or moral.
  - Vinaya requirements

## **STEP 3 - EVALUATE THE RISK**

### ***3.1 LIKELIHOOD AND EFFECT***

Evaluate the likelihood and effect of each risk, both for events and for routine activities.

<b>Likelihood</b>			<b>Effect</b>		
<b>E</b>	<b><i>Rare</i></b>	<p>May only occur in exceptional circumstances.</p> <p>No recorded incidents or any anecdotal evidence of occurrence; and/or</p> <p><b>No recent incidents in other recent events elsewhere</b></p> <p><b><i>Virtually no opportunity, reason or means to occur at the event</i></b></p>	<b>1</b>	<b><i>Insignificant</i></b>	<p>No action required and/or low financial loss.</p> <p>Potential measurable financial effect, less than \$1,000 over the period of the event; and/or</p> <p>Negligible effect on operations for events</p> <p>No local public image influence</p> <p>No influence on staff morale/productivity</p>
<b>D</b>	<b><i>Unlikely</i></b>	<p>Could occur at some time but not expected.</p> <p>One or two recorded incidents at past or like events; and/or</p> <p><b><i>Unsubstantiated anecdotal evidence of occurrence; and/or</i></b></p> <p>Some opportunity, reason or means to occur at the event.</p>	<b>2</b>	<b><i>Minor</i></b>	<p>No further action needed, but monitoring required.</p> <p>There may be a measurable cost, between \$1,000 and \$50,000 and/or</p> <p>A complaint or interruption and/or</p> <p>One or two injuries or medical reports</p> <p>Reported minor local public image influence</p> <p>Reported but insignificant influence on morale/ productivity</p>
<b>C</b>	<b><i>Possible/Moderate</i></b>	<p>May occur at some time.</p> <p>Few, infrequent random recorded incidents at past or like events; and/or</p>	<b>3</b>	<b><i>Moderate</i></b>	<p>Efforts need to be made to reduce risk, but costs of doing so should be carefully considered.</p>

Likelihood			Effect	
		<p><i>Some anecdotal evidence of occurrence; and/or</i> Known opportunity, reason or means to occur at the event</p>		<p>There may be a measurable cost, between \$50,000 and \$150,000 and/or</p> <p>Some complaints or interruptions and/or</p> <p>Small number of injuries or medical reports</p> <p>Possible public relations and public image damage</p> <p>Minor influence on staff morale/productivity</p>
<b>B</b>	<b>Likely</b>	<p>Will probably occur in most circumstances.</p> <p>Incidents have been recorded or a trend has been established; and/or</p> <p><i>Strong anecdotal evidence from a variety of sources from past events and/or</i></p> <p>Considerable opportunity, reason or means to occur</p>	<b>4</b>	<p><b>Major/Substantial</b></p> <p>Activity should be halted until risk is reduced or sufficient controls in place.</p> <p>Could noticeably impact on the Event; cost May be \$150,000 and \$500,000, and/or</p> <p>Wide-spread patron dissatisfaction and media attention arising from this and/or</p> <p>Severe injuries, and/or</p> <p>Long delays or interruptions to the program of the Event, and/or</p> <p>Serious public relations damage, requiring considerable effort to rectify during and after the Event, and/or</p> <p>Litigation after the Event, and/or</p> <p>Noticeable loss of commercial standing for future events, and/or</p> <p>Noticeable influence on staff morale/productivity during Event</p>
<b>A</b>	<b>Almost certain</b>	<p><i>Is expected to occur in most circumstances.</i></p> <p>Level of reported incidents indicates an endemic situation or a sustained campaign against MOPT or others at the event; and/or</p> <p>A strong likelihood of future occurrence, because of identified circumstances; and/or</p> <p>Great opportunity, reason or means to occur</p>	<b>5</b>	<p><b>Catastrophic/intolerable</b></p> <p>Activity may mean risk should be prohibited including legal compliance plans.</p> <p>Very serious disruption to the Event, possible show stopper</p> <p>Long term profitability of the Event adversely affected, with costs potentially over \$500,000 and/or</p> <p>At least one death and widespread injuries and property damage and/or</p> <p>Public, commercial and international image of Event very seriously affected, requiring very concentrated</p>

Likelihood			Effect	
				effort and cost to rectify afterwards and/or  Class action and individual ambit litigation claims and/or  Major influence on staff morale/ productivity and ability to perform their duties for remainder of event

### 3.2 EVENT RISKS - RATING TABLE

An overall rating for each risk is obtained from the look-up table below. For each of the combinations, there is an overall risk rating of *Low, Moderate, Significant or High risk*.

The two measures of likelihood and consequences can now be brought together in a 'level of risk' matrix.

#### LEVEL OF RISK

LIKELIHOOD	CONSEQUENCES OR IMPACT				
	1 TRIVIAL	2 MINOR	3 MODERATE	4 SUBSTANTIAL	5 INTOLERABLE
<b>A</b> (ALMOST CERTAIN)	S	S	H	H	H
<b>B</b> (LIKELY)	M	S	S	H	H
<b>C</b> (MODERATE)	L	M	S	H	H
<b>D</b> (UNLIKELY)	L	L	M	S	H
<b>E</b> (RARE)	L	L	M	S	S

L – LOW RISK: MANAGE BY ROUTINE PROCEDURES

M – MODERATE RISK: MANAGEMENT RESPONSIBILITY MUST BE SPECIFIED

S – SIGNIFICANT RISK: SENIOR MANAGEMENT ATTENTION NEEDED

H – HIGH RISK: DETAILED RESEARCH & MANAGEMENT PLANNING REQUIRED AT SENIOR LEVELS

### STEP 4 - MANAGE THE RISK

BSWA will need to determine one of the following options to manage the risk:

- Avoid (eliminate) the risk. BSWA might decide on a different course of action rather than take the risk involved in the original course of action. i.e., cancel that event
- Transfer the risk. BSWA might shift responsibility for the risk to another person or organisation (e.g. take out insurance against the risk or get a 3rd party such as a contractor).
- Reduce the risk. BSWA might reduce the likelihood or consequences of the risk by adopting one or more strategies such as regular training, progress reporting on major activities or auditing risk management procedures on a regular basis.
- Accept the risk. If all other options are not available to BSWA, the decision could be made to accept the risk but put in place policies and procedures to manage it and rely on funds set aside for contingencies (self insure).

BSWA then needs to develop a risk management plan. Ask:

- What can be done about the risk?
- How can we prevent or reduce the likelihood of the risk occurring?
- Note that new risks can crop up at any time

#### **STEP 5 - MONITOR AND REVIEW**

Regularly monitor and evaluate the strategies used to manage risks.

Risks do not remain the same. The environmental context changes and other factors have an impact. so review regularly.

Ways of reducing risks during this phase include:

- Develop and implement good strategic/operational planning, financial management and community engagement processes.
- Develop implement and monitor good risk reducing policy and procedures for staff, e.g. code of conduct, project planning, critical incident reporting.
- Develop a Risk Register.
- Plan for unseen events.
- Make sure that security measures are in place.
- Develop and implement effective reporting processes.for incidents and accidents
- Check that all assets (e.g. buildings, footpaths, equipment) are in safe working order.
- Develop and maintain sound financial management practices.
- Place signs, notices or instructions regarding possible risks, e.g. Wet Floor, danger tape, etc
- Make sure that facilities, utilities and equipment are maintained regularly.
- Make sure that staff and volunteers receive adequate safety induction and training.
- Make sure that staff and volunteers are effectively supervised.
- Develop a safety culture
- Have a register of Material safety Data Sheets of dangerous substances handy on site
- Ensure Covid19/Pandemic regulations are complied with
- Ensure that committee members are qualified or trained to undertake the tasks required of them
- Ensure insurance cover is adequate
- Consider subcontracting risky activities to an independent contractor with expertise
- Ensure that the cost of mitigation doesn't outweigh the benefits