



Risk Management Policy

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SECTION 1: RISK MANAGEMENT FRAMEWORK

1.1 About this Policy

Zaluso Arts is committed to effective Risk Management as a strategy for protecting the Organisation, board, employees, artists, clients, stakeholders, visitors, and the community from unnecessary injury, loss or damage relating to the business and activities the Organisation undertakes.

1.2 Policy Statement

This policy aims to provide guidance to Zaluso Arts in applying risk management processes across all operations, to ensure that, so far as reasonably practicable, the our goals and identified outcome areas can be achieved.

This policy applies to all of the Zaluso Arts' staff, artists, Board members, volunteers, stand visitors.

This policy encompasses but is not limited to:

- Identifying, assessing and treating risks
- Ongoing risk monitoring and review
- Communication and consultation
- Record-keeping
- Specific risk areas.

1.3 Definitions

Board	Means the Organisation's Board of Directors
Clinical Incident	Any unplanned event resulting in, or having the potential to harm a client
Clinical Risk Management	Clinical risk management is concerned with improving the quality and safety of services by identifying the circumstances and opportunities that put clients at risk of harm and then acting to prevent or control those risks
Compliance Register	A register that assists an organisation to comply with its legal obligations
Impact	Actual or potential impact that would or may occur
Likelihood	Probability or chance of an incident occurring
Organisation	Zaluso Arts

Personnel	The Organisation's staff, artists, Board members, volunteers, and visitors
Risk	Chance of something happening that will Impact on objectives, measured in terms of likelihood and impact
Risk Assessment	Process of analysing and evaluating the likelihood and impact of potential risks
Risk Incident	Realisation or occurrence of a risk impact
Risk Management	Process of identifying, assessing and judging Risks, assigning ownership, taking actions to mitigate them, and monitoring and reviewing progress
Risk Register	A Risk Register is a tool for documenting risks, and actions to manage each risk. The Risk Register is essential to the successful management of risk. As risks are identified they are logged on the register and actions are taken to respond to the risk
Risk Treatment	Identifying and implementing actions to eliminate risks or reduce impacts
WHS	Workplace Health and Safety

1.4 Principles

The following principles guide Zaluso Arts' risk management policy and procedures: Acting with propriety in the use of assets and resources of Zaluso Arts;

- Risk management applies to all aspects of the Organisation's business and activity
- Risk management is a shared responsibility of all staff, management and Board members
- Risk management is a continuous improvement process where the organisation continually strives to reduce and manage the likelihood and negative impact of risks
- Staff, Board members, artists, and volunteers are provided with training and other support to assist them in managing risk in their roles.

1.5 Outcomes

The outcomes of this policy are that: Zaluso Arts

- Makes informed business, operational and service delivery decisions while remaining fully aware of risks and impact
- Staff, management and Board members understand their roles and responsibilities in relation to risk management
- Risks and risk impact are minimised through compliance with relevant regulatory,

legal and financial obligations, and implementation of risk treatments.

1.6 Delegations

Board of Directors	<ul style="list-style-type: none"> • Endorse and ensure compliance with the Risk Management Policy • Ensure compliance with relevant legislation • Lead and support the Executive Director to manage risk • Monitor and contribute to internal risk treatment strategies and activities, including regular review of the Risk Register
Business services/ management	<ul style="list-style-type: none"> • Comply with the Risk Management Policy • Manage and monitor compliance with relevant legislation • Monitor and contribute to internal risk treatment strategies and activities. • Be familiar with the Organisation's legislative requirements regarding risk management • Ensure processes are in place across the Organisation to manage and treat risk appropriately • Ensure staff are adequately trained to comply with risk management strategies and activities <p>Executive Director</p> <ul style="list-style-type: none"> • Lead the implementation of the Risk Management Policy • Identify and assess new risks and implement risk treatments • Lead, monitor and update identified risks and risk treatment • Ensure risk assessments are undertaken <p>Senior Management</p> <ul style="list-style-type: none"> • Ensure orientation of new Board and staff members to the Organisation's risk management processes and activities • Identify and assess new risks and implement risk treatments • Monitor and update identified risks and risk treatments. • Develop, implement and review risk management plans • Maintain current Risk Register and Compliance Register • Document risk management discussions and decisions from Board meetings and Board Finance and Executive Sub-committee meetings

1.7 Policy Implementation

This policy is developed in consultation with the Zaluso Arts' staff and approved by the Board of Directors.

All Personnel are responsible for understanding and adhering to this Risk Management Policy.

Specific monitoring and support activities undertaken include:

- Risk management issues are part of the Work Health and Safety updates as standing agenda item in staff meetings
- Review of the risk register is a standing agenda item for board meetings
- This policy is to be part of staff orientation processes

This policy is implemented in combination with all the Organisation's policies and procedures.

1.8 Risk Management

The Organisation develops and implements risk management strategies and processes informed by this policy and in compliance with relevant legislation.



SECTION 2: RSIK MANAGEMENT PROCESSES

This section ensures that Zaluso Arts develops and implements consistent risk management strategies and processes to effectively manage and treat risk, in order to safely enhance the organisation's operation and achieve its strategic goals.

This section provides guidance on the plans, processes and tools that the Organisation adopts in order to identify, assess, treat and monitor risks.

This section ensures that the Organisation:

- Provides reliable administrative tools and reporting methods
- Confirms that the Risk Management strategy and activities are informed by its Personnel, clients and the broader community
- Ensures that risk management processes support and enhance the services provided to its clients
- Has a structure for the continuing review of risk
- Provides ongoing safe operations for Personnel, clients and the broader community.

2.1 Communication and consultation

Communication and consultation is undertaken with the Organisation's Personnel to ensure understanding and engagement in risk management.

Communication mechanisms include:

- Orientation processes for new Board members, staff, and clients entering the service
- Agenda items and discussion at staff and team meetings, e.g. WHS, budgets, client related incidents
- Regular staff and supervisor meetings to review work plans and activities, together with incident management
- Executive Director reporting to the Board, and regular review of the Risk Register.

The Organisation implements diverse consultation methods to seek feedback from its clients and Personnel. This may include:

- Staff and Board leadership and participation in policy development
- Staff and Board leadership and participation in risk management and risk incident review
- Client meetings
- Workshops
- Surveys

Communication and consultation is undertaken with external stakeholders (if appropriate) as part of Zaluso Arts' business. Mechanisms include:

- Briefing and planning meetings as part of project development, implementation and evaluation
- Strategic planning
- Performance reporting to funding bodies
- Annual reports
- Surveys and evaluations

2.2 Establishing risk context

Risk management considers the context in which Zaluso Arts operates and how these characteristics and capabilities influence and inform risk responses. This could include assessing:

Strategic or external context:	<ul style="list-style-type: none"> • Operational, regulatory, financial and political environment • Business drivers • Opportunities and threats • Stakeholders.
Organisational or internal context:	<ul style="list-style-type: none"> • The Organisation's goal and outcomes • Organisational culture • Strengths and weaknesses within the Organisation • Existing systems and processes • Stakeholders • Available resources.
Risk management context:	<ul style="list-style-type: none"> • The Organisation's size, organisational structure and location • Governance structure • Management expertise • Workforce capacity • Relationship with artists • Assets.

2.3 Risk Identification

Zaluso Arts identifies risks through formal and informal processes such as: targeted consultation, observation of workplace practice, monitoring of regulatory requirements, organisational system reviews, regular audits (e.g. WHS, policy compliance), analysis of information gathered relating to WHS incidents and strategic and project planning.

Organisational risks are categorised and summarised as follows:

Type	Area/item compromise
Strategic	<ul style="list-style-type: none"> • Goal and intended outcomes of the Organisation • Intellectual property • Reputation • Organisation and sector positioning • Resourcing, growth and improvement
Compliance	<ul style="list-style-type: none"> • Entity legislation (e.g. incorporations, co-operatives or others) • Contractual obligations • Insurance

Financial	<ul style="list-style-type: none"> • Fraud • Income, budget and expenditure operations • Debt collection • Governance and management by Board
Operational	<ul style="list-style-type: none"> • Governance • Service delivery (e.g. projects, programs, creativity) • General equipment, resources and facilities • Human resource management • Information management • Break-in, theft, and fire
Market/ environmental/ external risks	<ul style="list-style-type: none"> • Natural disasters or major storms • Changes in government and/or government policy • Major legislation change

2.4 Risk assessment

The risk assessment matrix, risk likelihood and rating tables below are applied to all identified risks to determine their level of risk based on two categories: likelihood and impact.

Risk assessment also includes reviewing existing controls, whether specific to that risk or by default.

2.4.1 Risk Matrix

Likelihood	Almost certain	Low Medium	Medium	Medium - High	High	High
	Likely	Low	Low - Medium	Medium	Medium - High	High
	Possible	Low	Low	Medium	Medium - High	High
	Unlikely	Low	Low	Low - Medium	Medium	Medium - High
	Rare	Low	Low	Low	Medium	Medium - High
		Minimal	Minor	Moderate	Significant	Severe
		Impact				

2.4.2 Risk likelihood

Rating	Description	
Almost certain	90% or greater probability	Expected to occur in most circumstances
Likely	50-90% probability	Will probably occur in most circumstances
Possible	20-50% probability	Could occur at some time
Unlikely	10-20% probability	Not expected to occur
Rare	<10% probability	Would occur only in exceptional circumstances

2.4.3 Risk impact

Rating	Description	
Severe	Business objectives and/or continuing viability is threatened	Death or serious injury to a person
Significant	Business objectives are not met	Serious injury or illness requiring medical treatment with permanent consequences
Moderate	Business objectives may be threatened	Injury or illness requiring medical treatment
Minor	Business objectives require monitoring	Minor injuries
Minimal	Business objectives unlikely to be affected	Minor first aid injury

2.4.4 Risk rating

The risk rating assists Zaluso Arts in determining if the risk is acceptable or unacceptable. A low rating risk may be expected and acceptable with minimal treatment response, whereas a high rating risk is not acceptable and therefore requires a response to minimise or eliminate risk.

High	Requires immediate action to mitigate the risk
Medium-High	Requires short-term action to mitigate the risk
Medium	Requires medium-term action to mitigate the risk (work within other priorities)
Low-Medium	May require attention
Low	Manage by routine procedure

2.5 Risk treatment

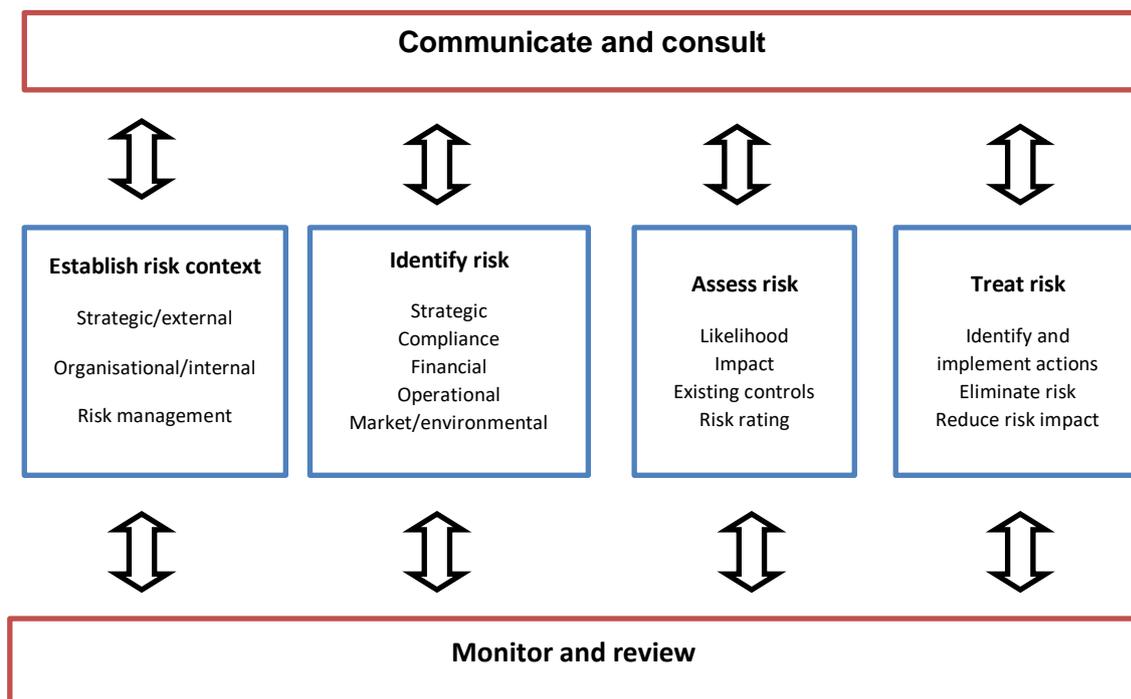
Risk treatment involves identifying and implementing actions to eliminate risks or reduce their impacts. In treating risk the organisation, board and staff members ensure that:

- The cost of implementing risk treatments is balanced with the expected and actual risk reduction outcomes
- If eliminating risk is to discontinue an activity, remove an identified risk item, or avoid new or potential risks
- Risk reduction activity involves implementing reasonable and practical steps to reduce risks and minimise loss, injury or harm. For example, where transport of heavy boxes is unavoidable, a trolley and safe lifting training is provided
- Major risks and their responding treatments are logged in the organisation's Risk Register
- Risks that are substantially mitigated by the existence of a specific organisational policy or listed in the organisation's Compliance Register may not be required to be recorded in the Risk Register
- Risk specific to client service delivery are managed under a clinical risk management framework
- Risks specific to individual projects are identified and responded to through project implementation; these may not be required to be recorded in the Risk Register.

Risk Treatment should adopt the hierarchy for controlling Risks:

- Eliminate the hazard
- Substitute the hazard for something safer
- Isolate the hazard from people
- Use engineering controls
- Use administrative controls
- Use personal protective equipment.

The diagram below depicts the Organisation's risk management process.



2.6 Risk management plans

Zaluso Arts implements risk management plans for specific activities that carry likely or almost certain risk which are inherent in working with our clients. The plans provide specific guidance to staff in managing concerns that are likely to arise when providing direct client services.

2.7 Risk monitoring and reviewing

Zaluso Arts monitors and reviews risks and their treatment strategies as part of effective risk management and ongoing quality improvement.

Monitoring and reviewing activities include:

- Re-consideration of the contexts, rating, treatment and responsibilities.
- Risks identified through the Organisation's Risk Register and Compliance Register are reviewed and updated monthly by the HR assistant.
- The Board reviews the Organisation's Risk Register and Compliance Register quarterly through Board and other relevant meetings.
- Previously identified risks may become de-activated through a monitoring and review process, where the likelihood and impact of loss, injury or harm is assessed as non-existent or negligible.
- Risks that are assessed as specific to individual projects are reviewed through project mechanisms such as scheduled milestone checks, progress reporting, advisory group meetings, stakeholder feedback, outcome monitoring, and end-of-project evaluation.
- The Organisation's risks are also reviewed and their status is updated following a risk incident, such as a workplace accident, cuts to funding, or damage to reputation.

2.8 Reporting and record-keeping

Risks identified in the Organisation's Risk Register and the Compliance Register are reported to the Board quarterly by the Executive Director in the scheduled Board meetings. Related discussion and outcomes are recorded in Board and relevant minutes.

Risk management discussion and outcomes from staff meetings are recorded in meeting minutes.

2.8.1 Risk register

The Organisation's Risk Register details major risks, their rating, controls and treatments, as well as responsibilities and timeframes.

2.8.2 Compliance register

The Compliance Register details compliance obligations in relation to: taxation, performance agreements, and WHS.