POLICY NUMBER 30: RISK MANAGEMENT POLICY

Version No. 2
Established: 2008
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Next Scheduled Review: 2024

PURPOSE

Northern Geelong Rental Housing Co-operative (NGRHC) recognises that ongoing risk management of the Co-operative is an important aspect to maintaining appropriate governance and high standards of performance within the social housing sector and environment.

The purpose of this policy is:

1. To ensure that all Co-operative staff, renter-members, Committee members and contractors are aware of their responsibilities for identifying risks and for communicating controls and procedures for preventing and reducing risks.

    Risk categories include:
    - financial
    - management
    - operational
    - strategic
    - governance

2. To provide guidance to Co-operative staff and renter-members as to the action which should be taken where they suspect any risks might arise or already have done so.

3. To provide a clear statement to staff, renter-members and Committee members forbidding any illegal activity.

4. To provide assurance that all suspected high-risk activities will be fully investigated and resolved accordingly.

RELEVANT CO-OPERATIVE OBJECTIVES

Housing Registrar Performance Standards for Registered Housing Providers.

SCOPE

- All staff, renter-members' and contractors
- Mechanisms
- Fraudulent activities
- Reportable events
- Risk Evaluation Framework

POLICY STATEMENT

The Committee of Management (CoM) of NGRHC has ultimate responsibility for risk management including the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

Mechanisms

The Committee of Management must ensure that there are mechanisms in place to:
- assess risk within the Co-operative
- educate renter-members about risk prevention and detection
- facilitate the reporting of suspected risks

All renter-members of the Co-operative and staff share in the responsibility of identifying, reporting and preventing risks, in their areas of accountability.

Risks within the framework of this policy must be raised with the Staff and/or the Committee of Management as soon as the risk is identified or as soon as practicable.

Fraudulent activities

In situations where the Staff and/or Committee of Management are suspected of involvement in fraudulent activity, the matter should in such cases, be notified to the Department of Families, Fairness and Housing. Where fraud is determined to be of a serious nature, the matter should be referred to the Victorian Police.
Where fraud by a staff member is proven this shall constitute grounds for dismissal.

Reportable Events

Registered agencies are required to submit reportable events online via the Housing Registrar's Community Housing Information Management and Engagement System (CHiMES). The following examples of reportable events are a guide only and not an exhaustive list:

- Significant incident that impacts on service delivery
- Death or serious injury to a renter in a managed property
- Significant property damage that may affect a significant number of renter-members
- New development project initiated
- Major delays or financial issues with housing projects
- Significant unplanned turnover and/or loss of senior staff or board members
- Major new business ventures
- Execution of new leases, funding deeds or agreements
- Adverse findings from reviews of governance or operations
- Failed accreditation that may impact on the delivery of services
- Probable or actual adverse media coverage
- Legal action against the provider
- Significant organisational restructure

Any events impacting NGRHC's risk profile should be assessed against the Risk Evaluation Framework.

The Risk Evaluation Framework

3 levels of risk (severity) are:
- High
- Moderate
- Low

3 levels of probability (Likelihood) are:
- Very Likely
- Likely
- Unlikely

3 types of risk categories are:
- Financial
- Strategic
- Operational

Risk Matrix

A Risk Matrix should be used to assess the risk of identified hazards. The Risk Matrix also assigns a numerical and colour coded rating (from 1 to 6) for each hazard, depicting severity and likelihood.

Severity:	Probability: How likely is it to happen?		
	Very Likely Could happen anytime.	**Likely** Could happen at some time.	**Unlikely** Could happen but very rarely.
High	1	1	2
Moderate	1	2	2
Low	2	2	3

Risk Rating:	**1: High Risk**	**2: Moderate Risk**	**3: Low Risk**
Action:	**Action Now**	**Monitor & act if Risk changes**	**Monitor**

Policy Guidelines

The CoM and staff have established the NGRHC Risk Management Plan which documents the different risk categories, the likelihood of occurrence, sources, impacts and strategies to manage these risks. All identified risks are then aligned with a Risk Assessment Matrix.

General Risk Management
- Regular risk Management reviews of the Co-operative shall be performed by the Committee of Management each six months.
- The date of the review and Directors accepting responsibility for the approval of the review will be recorded in the minutes and on the Risk Management Plan
- Where issues of risk management arise, such issues shall be addressed and minimised by recording appropriate risk mitigation strategies

Fraud Prevention
- Fraud prevention accounting procedures shall be incorporated in the organisation's policies relating to Cash Management, Credit Card Use, Commercial Transactions, and Investment.
- All complaints of suspected fraudulent behavior will be investigated whilst also providing for the protection and privacy of those individuals making the complaint and those individuals being the subject of any such complaint.
- Where a case of fraud has been established the matter shall be referred to police. Any action taken by police shall be pursued independently of any employment-related investigation by the organisation.
- Recruitment strategies shall incorporate fraud prevention;
    o Applicants shall be required to undergo police checks and Working With Children checks prior to commencement of employment
    o Previous employers and referees shall be contacted
    o Transcripts, qualifications, publications and other certification or documentation shall be validated
- Fraud prevention and detection issues will be included in relevant staff development and induction activities.
- Volunteers and contracted staff shall be asked to agree in writing to abide by these policies and procedures.

DEFINITIONS

In this policy:

Mitigation	Make (something bad) less severe, serious, or painful. Three general types of mitigation include: avoidance, minimisation , and compensatory mitigation.
Risk Matrix	A formula used to depict probability and severity of identified risks
Risk Mitigation Strategies	Risk mitigation is a strategy to prepare for and lessen the effects of threats faced by a business. Risk mitigation takes steps to reduce the negative effects of threats and disasters on business continuity

RELATED DOCUMENTS

NGRHC Risk Management Plan (current)
NGRHC Business Plan
NGRHC Asset Management Plan

LEGISLATION AND STANDARDS

- Housing Act 1983
- Victorian Government Risk Management Framework
  https://www.dtf.vic.gov.au/sites/default/files/document/Victorian%20Government%20Risk%20Management%20Framework%20-%20August%202020.pdf

Transparency and accessibility

This policy will be available on the NGRHC website *www.ngrhc.org.au/policy*