











CHARLEVILLE AND WESTERN AREAS ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITY HEALTH LTD




STRATEGIC RISK MANAGEMENT REPORTING FRAMEWORK

RISK APPETITE STATEMENTS AND KEY RISK INDICATORS

Risk Category	Sub-Type	Risk Appetite Statement	Key Risk Indicators	Risk Status
Financial	Loss	CWAATSICH is given government funding to deliver Primary Health Care services but its cost is not fully covered so it relies on self-generating income to make up shortfall. It therefore has a <u>Low Risk Appetite</u> for anything that would generate a significant financial loss.	<ul style="list-style-type: none"> • Self-generating income loss \$100,000+ per annum. • Loss of Government \$ for entire program. • Loss of \$100,000+ of Government funding for a program. 	 Explanation:
Financial	Gain	CWAATSICH has a <u>medium to high risk appetite</u> in identifying and exploring new ways of unlocking fundraising opportunities within the broader markets it operates in.	<ul style="list-style-type: none"> • \$100,000 or above. 	 Explanation:
Operational	Clinical	It is absolutely critical to CWAATSICH to retain AGPAL clinical accreditation. It therefore has a <u>low risk appetite</u> for anything that would impact on accreditation.	<ul style="list-style-type: none"> • Any significant change in accreditation requirements that high risk of detrimental impact on services • Shut down of clinical services for any period of time. • Failure to reach AGPAL standards in audit that cannot be rectified in required timeframe. • Failure to act on audit recommendations. 	 Explanation:




Risk Category	Sub-Type	Risk Appetite Statement	Key Risk Indicators	Risk Status
Operational	Corporate	Funding is limited and cannot cover its corporate operations costs in full. CWAATSICH therefore has a <u>Medium Risk Appetite</u> for anything that would impact its ability to deliver its administrative services. <u>Low to Zero Risk Appetite</u> for anything that would impact on its business continuity.	<ul style="list-style-type: none"> Anything that could impact on business continuity. Any positions that are vacant and cannot be filled. Difficulty in getting skilled staff. 	 Explanation:
Operational	People and Management	Because limited access to skilled staff CWAATSICH has a <u>Medium-High Risk Appetite</u> for new strategies to engage and train staff and management as it is difficult to succession plan.	<ul style="list-style-type: none"> Any resignations of senior management staff. Any leave of senior management staff of >1 month. Serious allegation of misconduct. 	 Explanation:
Operational	Technology	Nature of business and medical information means <u>low risk appetite</u> for anything that would compromise security and privacy of information. <u>Low Risk Appetite</u> for new technology where costs unfunded or security compromised. <u>Medium-High risk appetite</u> for new technology to meet funding obligations or attract new funding.	<ul style="list-style-type: none"> Cyber-attack. Significant breach of privacy. Data notifications breach Acquisition of new technology outside budget. 	 Explanation:
Compliance	Legal and Regulatory	<u>Low Risk Appetite</u> for non-compliance with funding contracts. <u>Low risk appetite</u> for non-compliance with legal and regulatory requirements re service provision.	<ul style="list-style-type: none"> Legal action instigated against organisation or a GP. Breach of contract that caused a loss of funding. ACN complaint or investigation. QCAT Complaint launched or Health Ombudsman. 	 Explanation:

Risk Category	Sub-Type	Risk Appetite Statement	Key Risk Indicators	Risk Status
Compliance	Quality Assurance	Quality Improvement Program must be met as a condition of funding so <u>Low Risk Appetite</u> for non-compliance with corporate operations or detrimental impact on quality of services CQI is part of standard procedures so <u>Medium-High Risk Appetite</u> for activities that improve.	<ul style="list-style-type: none"> • 30% ↑ dissatisfaction levels client surveys • Major non-compliance with QIP or IAHP Activity Plans • Increase of 20% in complaints 	 Explanation:
Reputation		<u>Low Risk Appetite</u> for anything that would compromise its brand, ethics or credibility <u>Low Risk Appetite</u> for behaviour inconsistent with codes of conduct, values and Guiding Principles and Governance Charter	<ul style="list-style-type: none"> • Adverse media coverage • Any allegation of fraud or corruption 	 Explanation:
Reputation	Stakeholder	If there are things that impact negatively on its clients or community CWAATSICH is willing to speak up. It has a <u>Medium Risk Appetite</u> for speaking out against such policies. <u>Medium Risk Appetite</u> for initiatives consistent with its strategic objectives but impact on reputation with stakeholders.	<ul style="list-style-type: none"> • Termination of significant Alliance • AGPAL Audit indicates significant issues from stakeholders 	 Explanation:

Risk Category	Sub-Type	Risk Appetite Statement	Key Risk Indicators	Risk Status
Safety		<p>Ensuring the physical and psychological well-being of its personnel, clients and community in which it operates is a fundamental priority of CWAATSICH so it has a <u>Low Risk Appetite</u> for physical psychological harm.</p> <p><u>Zero Risk Appetite</u> for anything that could permanent injury disability or death.</p>	<ul style="list-style-type: none"> • Any WorkCover claim • A 20% increase in WorkCover claims in a year • Any permanent injury/disability/death • Any breach Working With Children Risk Management Strategy • Any mandatory notifications under Working with Children Risk Management Strategy 	 <p>Explanation:</p>
Strategic		<p><u>Medium-High Risk Appetite</u> to pursue innovation and sustainable improvements in pursuit of their vision, mission and strategic objectives in accordance with the guiding principles.</p>	<ul style="list-style-type: none"> • Any grant applications over \$20,000 for new strategy or innovation. • Any change to core business or core strategy. • Any new strategic alliance. 	 <p>Explanation:</p>
Governance		<p>Having a strong, stable, skilled Board that can provide strategic direction to CWAATSICH is fundamental to the ongoing success of CWAATSICH. CWAATSICH has a <u>Very Low Risk Appetite</u> for anything that would create instability at a Board level, including any ambiguity in the governance framework.</p> <p>Equally fundamental is the relationship between the Board and senior leadership. CWAATSICH values a good work ethic, honesty and integrity. It has a <u>Very Low Risk Appetite</u> for anything that negatively impacts on culture or trust or creates conflict or disrespect or anything that amounts to bullying, harassment, intimidation or discrimination.</p> <p><u>Medium Risk Appetite</u> to bringing younger people into the board or leadership roles to enable proper succession planning.</p>	<ul style="list-style-type: none"> • Negative Board Evaluation. • Any compliant to ACNC. 	 <p>Explanation:</p>



STRATEGIC OBJECTIVES AND RISK TOLERANCES

STRATEGIC OBJECTIVE	RISK TOLERANCES	RISK STATUS
<p>SO1 - <u>Life Expectancy:</u> The life expectancy of Aboriginal and Torres Strait Islander people is the same as the general population</p>	<ul style="list-style-type: none"> • Financial • Corporate • Clinical • Technology • Quality Assurance 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: blue; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div> </div> <p>Explanation:</p>
<p>SO2 - <u>Financial:</u> The organisation has an economic base that is self-sustaining with a revenue of \$1 million+ from self-generated revenue.</p>	<ul style="list-style-type: none"> • Financial • Clinical • Technology • Compliance • Quality Assurance • Stakeholder • Strategic • Governance 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: blue; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div> </div> <p>Explanation:</p>
<p>SO3 - <u>Workforce:</u> We have a highly skilled workforce that are performing to their full potential to achieve maximum outcomes.</p>	<ul style="list-style-type: none"> • Financial • Corporate • Clinical • People & Management • Technology • Compliance • Reputation • Safety • Strategic 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: blue; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div> </div> <p>Explanation:</p>

STRATEGIC OBJECTIVE	RISK TOLERANCES	RISK STATUS
<p>SO4 - <u>Partnerships</u>: We implement effective partnerships with a range of stakeholders that leverage our ability to optimise the health and social and economic well-being of Aboriginal and Torres Strait Islander people.</p>	<ul style="list-style-type: none"> • Financial • Corporate • People & Management • Compliance • Quality Assurance • Reputation • Stakeholder • Strategic • Governance 	 <p>Explanation:</p>
<p>SO5 - <u>Equal Access</u>: We provide a comprehensive range of services that meet the health and social and economic well-being needs of our people.</p>	<ul style="list-style-type: none"> • Financial • Corporate • Clinical • People & Management • Quality Assurance • Technology • Reputation • Stakeholder • Safety • Strategic 	 <p>Explanation:</p>
<p>SO6 - <u>Lead Agency</u>: We are recognised as the lead provider of health and well-being services in the community.</p>	<ul style="list-style-type: none"> • Financial • Corporate • Clinical • People & Management • Compliance • Quality Assurance • Technology • Reputation • Stakeholder • Safety • Strategic • Governance 	 <p>Explanation:</p>

KEY STRATEGIC RISK INDICATORS

<u>KEY STRATEGIC RISKS</u>	<u>MONITOR</u>	<u>RISK STATUS</u>
KSR 1 – Financial Sustainability - secure alternative funding sources for the organisation	<ul style="list-style-type: none"> • joint ventures and collaboration opportunities • social impact investment • Corporate engagement and CSR • Mainstream funding opportunities • Change in government Medicare funding • Availability of co-commissioning funding 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: blue; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div> </div> <p>Explanation:</p>
KSR 2 - Changing political and regulatory environment	<ul style="list-style-type: none"> • Political/Policy changes of the major parties at State/Federal level that could impact on the health sector • Legislative or regulatory changes that impact of CWAATSICH • Change in clinical standards/accreditation requirements, AGPAL, QIP IAHP • Change to HR awards and salaries • Change in DoH Funding model • New Programs being funded that CWAATSICH may be able to move into eg NDIS Aged Care 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: blue; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div> </div> <p>Explanation:</p>
KSR 3 - Competition	<ul style="list-style-type: none"> • Private sector moving in- NDIS and Aged Care Providers • Competition from other ATSI health organisations • PHNs • Competition from non-AMS moving into ATSI service provision • Competition in different service areas eg Roma vs Charleville 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: blue; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div> </div> <p>Explanation:</p>
KSR 4 – Changing Patient Profiles	<ul style="list-style-type: none"> • Increase in life expectancy of ATSI patients • Increase/decrease in patient numbers overall • Increase in non-ATSI clients and/or ratio of ATSI:non-ATSI patients • Change in chronic disease numbers/management/outcomes • Opportunities to get funding/participate in research, data collection and analytics. 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: blue; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div> </div> <p>Explanation:</p>

KEY STRATEGIC RISKS	MONITOR	RISK STATUS
KSR 5 – Workforce Requirements	<ul style="list-style-type: none"> • Overall age of workforce • Locum/temporary positions vs permanent positions • Unfilled vacant positions • Staff Turnover • Training and workforce development costs • Succession planning for key senior staff and Board 	 <p>Explanation:</p>
KSR 6 – Technology Requirements	<ul style="list-style-type: none"> • Changes to funding contract obligations that require upgrades in technology, data collection or analysis. • Overall age of technology infrastructure, future upgrade requirements and projected costs • Training in use of new technology/efficiency gains • Changing cybersecurity needs 	 <p>Explanation:</p>

RISK CRITERIA AND RISK MATRIX

Risk Consequence Rating Table:

Rating	1. Minor	2. Moderate	3. Major	4. Catastrophic
Category of Risk				
Financial Loss	<\$10K	\$10K+-\$40K	\$40K-\$100K	>\$100K
Financial Gain	>\$100K	\$100K-\$300K	\$300K -\$700K	>\$700K
Operational - Corporate	<ul style="list-style-type: none"> • Small or zero impact on range/scope of existing services or staffing levels • Minor reduction or improvement in quality of existing services 	<ul style="list-style-type: none"> • Some reduction in range/scope of services offered or staff levels • Addition of a new service • Loss of business continuity <1 week 	<ul style="list-style-type: none"> • Gain/Loss of a Program • Significant reduction in range/scope of services/staff levels • Loss of key personnel • Loss of business for 1 week-1 month 	<ul style="list-style-type: none"> • Loss of an entire business unit • Loss of a core area of business • Investigation/Legal action for poor quality • Loss of business continuity for 1 month
Operational – Clinical	<ul style="list-style-type: none"> • Delay in medical supplies • \$20K loss in Medicare income 	<ul style="list-style-type: none"> • Minor breach of clinical protocols • Individual staff member loses registration \$20K-\$50K 	<ul style="list-style-type: none"> • Major breach of clinical protocols • \$50K-\$100K 	<ul style="list-style-type: none"> • Loss of AGPAL Accreditation • Medical Negligence Action • \$100K+
Operational – People and Management	<ul style="list-style-type: none"> • Loss of support staff • Some individual staff dissatisfaction 	<ul style="list-style-type: none"> • Loss of mid-level staff • Insufficient staff • General staff dissatisfaction 	<ul style="list-style-type: none"> • Loss of CEO • Toxic culture 	<ul style="list-style-type: none"> • Loss of CEO and majority of Directors • Loss of most senior staff
Operational - Technology	<ul style="list-style-type: none"> • Sub-optimal performance of IT System • Minor damage or upgrade required • Internal breach of privacy or data access 	<ul style="list-style-type: none"> • Any matter reportable to insurers • Major upgrade required 	<ul style="list-style-type: none"> • External breach of privacy or data access • Criminal activity using IT Systems • Inappropriate use of IT systems • Breach of WWCRMS 	<ul style="list-style-type: none"> • IT System failure • Cyber-attack, virus • Theft of data or IP

Rating Category of Risk	1. Minor	2. Moderate	3. Major	4. Catastrophic
Compliance – Legal and Regulatory	<ul style="list-style-type: none"> • Late reporting • No financial impact • Insignificant fines under \$1000 	<ul style="list-style-type: none"> • Minor financial loss • No impact on charitable status • Reportable • Small fines between \$1K and \$10K 	<ul style="list-style-type: none"> • Real possibility of court action • Monthly monitoring by Department • Significant financial losses • Fines >\$10K • Loss of charity/tax exempt or DGR status. • Report to ACNC • Breach of legislative requirements 	<ul style="list-style-type: none"> • Breach of k=termination • Administrator appointed • Personal penalties for Directors • Potential criminal prosecution • Removal of directors/ Board. • ACNC investigation
Compliance – Quality Assurance	<ul style="list-style-type: none"> • Small or zero impact on range/scope of existing services • Minor reduction or improvement in quality of existing services 	<ul style="list-style-type: none"> • Some reduction in range/scope of services offered • Significant improvement to existing services • Addition of a new service • Breach of QIP or IAHP Activity Plan 	<ul style="list-style-type: none"> • Gain/Loss of a Program • Significant reduction in range/scope of services • Significant detrimental impact on the quality of existing services that can be remedied • Loss of key personnel 	<ul style="list-style-type: none"> • Loss of an entire business unit • Loss of a core area of business • Investigation/Legal action for poor quality • Loss of key personnel • Significant detrimental impact on quality of services that cannot be remedied.
Reputation	<ul style="list-style-type: none"> • Charleville community dissatisfaction • Nomination for awards • Community awareness Some negative or positive feedback 	<ul style="list-style-type: none"> • Report in Queensland media • Win awards • Member dissatisfaction • Some community impact with dissatisfaction that can be overcome with education • Tension between different sections of the community and the company 	<ul style="list-style-type: none"> • National media coverage • Allegations of fraud or corruption • Member protest • Significant Community impact with organised meetings or protests • Breach of guiding principles • Allegations of mismanagement • Public disputes between the company and all or a significant part of the community. 	<ul style="list-style-type: none"> • Removal or takeover of Board • Fraud or corruption Investigation • Criminal prosecution of one or more directors and/or CEO • Member takeover of Board Mass resignation of members

Rating Category of Risk	1. Minor	2. Moderate	3. Major	4. Catastrophic
Reputation - Stakeholder	<ul style="list-style-type: none"> • Minor impact on: <ul style="list-style-type: none"> ○ Working relationship with government ○ Funding ○ Programs • Negative feedback from government with no impact on service delivery • Positive impact on services • Minor impact on existing service delivery • Insignificant impact on financial position of the company 	<ul style="list-style-type: none"> • Negative impact on working relationship with government • Loss of potential new funding opportunities • Significant increase in funding or support • Moderate disruption to service or Program delivery • Minor loss of funding or support under an existing arrangement with minimal impact on service delivery or the company's overall position • Moderate impact on existing service delivery. • Addition of a significant new service or a new Program • Failure to renew funding for an existing service 	<ul style="list-style-type: none"> • Access to Senior Department Officers or Ministerial advisers lost • Loss of funding or support under an existing arrangement that will have a significant impact on services delivery • Loss of a Program • Termination of an existing funding contract <\$150,000 • Significant impact on existing service delivery • Addition of a Program 	<ul style="list-style-type: none"> • Excluded from consultations on matters directly impacting the company • No Department, Secretary/DG or Ministerial contact • Termination of existing contract of a value >\$150,000 • Exclusion from funding opportunities
Safety	<ul style="list-style-type: none"> • Minor injury • Minor impact on well-being of its personnel and clients 	<ul style="list-style-type: none"> • Serious injury • Serious impact on wellbeing of its personnel and clients 	<ul style="list-style-type: none"> • Permanent disabling injury or death • WHS investigation 	<ul style="list-style-type: none"> • Multiple serious injuries or deaths • WHS prosecution
Strategic	<ul style="list-style-type: none"> • No change to products or services - business as usual • Improvement to an existing product or service offering • A change to an existing product or service offering that has minimal negative impact. • Failure to identify or take up minor new opportunities 	<ul style="list-style-type: none"> • New product or service offering • Loss of an existing product or service offering • New business unit • Change of existing strategy • Take on a sub-optimal new strategy 	<ul style="list-style-type: none"> • Take on a new business strategy • Loss of existing business strategy • Loss of existing business unit • Establish a new entity to pursue new business • Change of corporate structure • Failure to identify or take up an important new opportunity 	<ul style="list-style-type: none"> • Loss of two or more Programs or significant service offerings • Failure to identify and/or pursue a major new trend/innovation that has a significant impact on the company's core business – a "game changer"

Rating Category of Risk	1. Minor	2. Moderate	3. Major	4. Catastrophic
Governance	<ul style="list-style-type: none"> • Breach of policies or procedures that is reasonable and defensible having regard to its impact on the company and its business. • Conscious technical breach of policies or procedures that has little or no impact on the company or its business. 	<ul style="list-style-type: none"> • Breach of Constitution that does not impact on status of company • Significant deviation from Strategic Plan • Matter reportable to a regulatory body • Any matter notifiable to insurers • Failure to implement a policy or procedure 	<ul style="list-style-type: none"> • Act that gives rise to civil penalties under Corporations Act. • Vote of no confidence in Board • Majority of Board resigns • Breach of Constitution that may impact on the charitable/DGR status of company. 	<ul style="list-style-type: none"> • Legal action against company or directors • Member removal and/or takeover of Board • Criminal act under Corporations Act • Majority of Board and CEO resign

Risk Likelihood Rating Table:

Rating	Descriptor	Probability
1	Rare or Never	Less than 10% chance that it will happen over life of plan/project/asset
2	Unlikely	10-30% chance of it occurring over life of the plan/project/asset
3	Possible	30 – 50% chance of it occurring over life of the plan/project/asset
4	Probable	50-80% chance of it occurring over life of the plan/project/asset
5	Certain	Greater than 80% chance that it will happen at least once over life of the plan/project/asset

Risk Matrix:

Consequence \ Likelihood	Minor	Moderate	Major	Catastrophic
Almost Certain	10	15	20	25
Probable	8	12	16	20
Possible	6	9	12	15
Unlikely	4	6	8	10
Rare or Never	2	3	4	5

Risk Matrix Rating Table:

Risk Matrix Rating	Risk Level
20 to 25 – Extreme	Immediate correction required – Don’t do it or take immediate action to implement specific plans to eliminate, avoid or manage risk to an acceptable level
12 to 19 - High	Should receive attention as soon as possible and implement specific plans to proactively manage risk to an acceptable level.
6 to 11 – Medium	Monitor and proactively manage risk to an acceptable level.
1 to 5 - Low	Risk is normally acceptable - Monitor and manage as appropriate.