

TNC POLICY

Policy Details

Title:	Risk Management
Effective Date:	09-Dec-2024
Policy Owner:	Chairperson, Board of Management
Applies To:	All staff and volunteers

Purpose

This policy sets out TNC's policy for Risk Management.

Context

This policy has been developed in alignment with the [TNC Policy Framework](#).

TNC Policy Documents are developed to:

- Assist TNC to meet the objects of the organisation and manage risk effectively
- Assist TNC staff and volunteers in performing their duties
- Outline how TNC will meet governance expectations
- Provide transparency and clarity to TNC staff and volunteers.

TNC is bound by the [Australian Charities and Not-for-profits Commission Act 2012 \(Cth\)](#) and regulated by the [ACNC](#).

Definitions

Term	Explanation
ACNC	Australian Charities and Not-for-profits Commission
BoM	Board of Management
Inherent Risk	The risk that exists with existing risk treatments and prior to any new risk treatments
Residual Risk	The risk remaining after the new risk treatment
Risk Impact	<p>The extent of the potential effect or outcome if the risk event occurs. Impacts are typically evaluated across multiple dimensions, such as financial, reputational, operational, and safety outcomes.</p> <ul style="list-style-type: none">• Insignificant – Negligible impact on operations, finances, or reputation. Minimal disruption and no injuries.• Minor – Low impact; manageable without significant resource allocation. Potential for minor injuries or minor reputational effects.• Moderate – Noticeable impact; requires management intervention. Moderate injuries, financial strain, or adverse reputational effects.• Major – Significant impact; requires substantial resources to manage. Severe injuries, significant financial losses, or reputational damage.

Term	Explanation
	<ul style="list-style-type: none"> • Catastrophic – Critical impact; threatens the organisation's viability or mission. Loss of life, major financial losses, or irreparable reputational harm.
Risk Likelihood	<p>The probability or frequency that a particular risk event will occur. Likelihood is often expressed in qualitative or quantitative terms.</p> <ul style="list-style-type: none"> • Rare – The event may occur only in exceptional circumstances (e.g., less than once in 10 years). • Unlikely – The event might occur at some time (e.g., once every 5-10 years). • Possible – The event could occur at some time (e.g., once every 1-5 years). • Likely – The event will probably occur in most circumstances (e.g., several times a year). • Almost Certain – The event is expected to occur in most circumstances (e.g., weekly or more often).
TNC	Toukley Neighbourhood Centre

Overview

TNC recognises that the organisation is exposed to certain risks due to the nature of its activities and the environment in which it operates. The key to TNC's success is the effective management of risk to ensure its organisational objectives are achieved.

Risks arise due to the organisation's operational undertakings and from external sources. Risks occur in numerous ways and have the potential to impact financial performance, reputation, health and safety, community and the overall performance of the organisation.

Principles

Policies always contain a set of principles that provide information relating to the rationale for the document. Staff and volunteers must consider and comply with these guiding principles when performing their duties.

Principle 1: Risk appetite is defined by risk category

TNC defines its risk appetite by each of the risk categories listed in the Risk Register.

Risk Category	Risk Appetite	Comments
HR	Low	TNC's employees and volunteers are essential to the successful delivery of its programs and the achievement of its mission. Policies and procedures are in place to safeguard and support employees and volunteers, ensuring compliance with these standards is a priority.
Operational	Low	TNC carefully identifies and mitigates risks associated with its operational activities. Risk management measures are assessed to ensure their benefits justify their costs. Processes are in place, supported by allocated resources, to

		ensure operational risks remain within acceptable limits.
Organisational	Low	TNC prioritises maintaining its integrity and competence, particularly in its dealings with key stakeholders, including the government and community. Financial risks are managed with a focus on both long-term sustainability and operational stability, requiring a balance between reserves and liquidity. As a government-funded organisation, TNC ensures strict compliance with funding acquittal requirements.
WHS	None	TNC is committed to fostering a safe environment for all staff and volunteers, minimising risks of physical or psychological harm. Investments and processes are in place to mitigate high-risk activities wherever feasible. Non-compliance with WHS standards or practices leading to harm is not tolerated.

Principle 2: Risk tolerance will determine treatments

Our tolerance for adverse risks will be used to determine which risks are treated through the development of risk treatment actions to manage risks to an acceptable level. During this process we will consider additional control measures to manage the risks to acceptable levels.

Principle 3: Risk management will be integrated with governance and strategic planning

The Risk Management Policy forms part of the governance framework and integrates with the strategic planning process. The Policy addresses both strategic and operational risks and the requirement of the organisation to operate in its regulatory environment.

Principle 4: Risks and treatment plans will be assigned

Ownership of risks and risk treatment actions will be assigned to relevant roles within the organisation. TNC has incorporated risk management accountability in management and supervisory roles which are required to report on risks and risk treatment actions.

Principle 5: The BoM oversights risk management

TNC's BoM will oversee the Risk Management Policy and the organisation's exposure to risk. Oversight of the effectiveness of our risk management processes and activities will provide assurance to the Board and stakeholders and will support our commitment to continuous organisational improvement.

The BoM will appoint a Risk Committee, a sub-committee of the BoM, that has delegated authority to undertake detailed risk management.

Principle 6: Risks will be reported, monitored, and reviewed on an ongoing basis

TNC will monitor risks and treatment actions on an ongoing basis. Performance of the risk management system and outstanding risk treatment actions will be reported to BoM on a regular

basis. Formal reviews of both the risk management system and the Risk Register will take place on an annual basis and the BoM will assess the effectiveness of the Risk Management Policy annually.

Risk Assessment

Risks will be assessed by likelihood and the consequence of occurrence. This will be used to determine the risk priority and used to map risks.

Figure 1. Risk Matrix

	Consequences				
Likelihood	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
5 Almost Certain	M	H	E	E	E
4 Likely	M	H	H	E	E
3 Possible	L	M	M	H	E
2 Unlikely	L	L	M	M	H
1 Rare	L	L	L	M	H

Change Control

Effective Date	Author	Approver	Comments
13-Feb-2023	Bronwyn Evans	BoM	Initial document
09-Dec-2024	Bronwyn Evans	BoM	Incorporate definitions for Likelihood and Consequences. Update Risk Categories.



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