**ACT**
Government

Environment, Planning and
Sustainable Development

# Risk Management Policy

## March 2017

## Document control

| | |
|---|---|
| **Prepared for** | Environment, Planning and Sustainable Development Directorate |
| **Project name** | Risk Management Policy 2014 |
| **Document Owner** | Senior Manager, Governance |
| **File Name** | EPSDD Risk Management Policy March 2017 |
| **Version** | 1.2 |
| **Status** | Final |
| **Release Date** | March 2017 |

## Revision history

| Version | Author | Amendment date | Comments |
|---|---|---|---|
| 1.1 | Geoff Stannard | 5 December 2016 | Updated for changes endorsed by the Executive Management Board on 17 November 2016, ACT Parks and Conservation Service which joined EPD on 1 July 2016, and revised risk template which includes residual risk. |
| 1.2 | Richard Matto | 31 January 2017 | Updated to reflect recommendations from the Risk Framework Audit |
| | | 9 February 2017 | Endorsed by EMB |
| | | 28 February 2017 16 March 2017 | Submitted to EPSD Audit Committee Briefing submitted for Director-General approval. |

## Review and authorisation

This Policy endorsed by the Director-General, Environment, Planning and Sustainable Development Directorate.

SIGNED _____

4.04.2017 _____

Date

## Distribution

This document is **COMMERCIAL-IN-CONFIDENCE** and is to be made available for internal use by management of the Environment, Planning and Sustainable Development Directorate only, and should not be relied upon by any external party without written approval of the Directorate.

# Table of Contents

# Risk Management Policy

## Essential Summary

This risk management policy outlines:

- what is meant by *risk* and *risk management*;

- the Environment, Planning and Sustainable Development Directorate (EPSDD) approach to risk management, including how risks are to be identified, assessed and managed;

- the responsibility of all staff for identifying, assessing and managing risks that relate to their particular area of work on a proactive basis, in a manner consistent with all EPSDD policies and guidelines on risk management;

- guiding principles for the management of risk by EPSDD and its staff;

- EPSDD's tolerance of risk;

- when risk management is to be used on a formal basis within EPSDD;

- requirements for the documentation of risk assessments and risk management plans; and

- requirements for reporting on risks and risk management strategies.

## 1.    Purpose

This Policy aims to:

- enable EPSDD to optimise the achievement of its strategic and business objectives;

- provide a framework for the identification, assessment and management of risk on a consistent basis;

- establish expectations for how risk should be managed;

- inform EPSDD staff about:

  o   their roles, responsibilities and accountabilities for managing risk in their work area;

  o   the approach to be followed in managing risks;

  o   how to obtain guidance and assistance with the management of risk; and

  o   the context for the management of risk in EPSDD business and assurance processes.

The Policy seeks to encourage an environment where there is:

- a culture where management and staff are willing to deal with risk, be accountable and take responsibility, including appropriate support mechanisms where things go wrong;

- a governance framework where risk is managed proactively, and through decisions that are informed by timely and accurate information, including reporting of emerging risks and early reporting when things go wrong or are off track; and

- open and honest consistent discussion of risk and a proactive attitude towards risk by management and staff, including an awareness of everyone's risk management responsibilities.

## 2.    What is Risk and Risk Management?

**Risk** is defined in the *AS/NZS ISO 31000:2009 Risk Management- Principles and Guidelines* (the Standard) as *"the effect of uncertainty on objectives"*. Risks arise because there are internal and external factors and influences which make it uncertain whether, or to what extent, or when objectives will be achieved or exceeded by an organisation. Risk is measured in terms of the <u>likelihood</u> of an event occurring and the <u>consequences</u> that result from an event occurring.

**Risk management** is defined in the Standard as "*coordinated activities to direct and control an organisation with regard to risk*". Put simply, it's about the management of risk in a considered, informed, timely and documented manner.

## 3.    The Rationale for Risk Management in EPSDD

Risk is a part of everyday life. Similarly EPSDD recognises that there is the potential for risk in its operations. However, it is important in considering risk to also consider the potential opportunities or benefits that can be achieved. Effective management of risk enables EPSDD to work successfully in a complex, challenging and ever changing environment to achieve its strategic and business objectives.

### The Risk Management Framework

The framework for risk management within EPSDD is summarised in the following table:

| Area of Risk | Risks Related to | Responsibility |
|---|---|---|
| **Strategic Risks** Apply to EPSDD as a whole and could adversely affect the achievement of outcomes and damage reputation | Governance, Stakeholders, Outcomes, Compliance, Accountabilities | Director-General, Executive Management Board (EMB) |
| **Policy and Program Risks** Relate to the delivery of specific services, programs, projects and outputs | Policy & Program Development and Implementation, Service Delivery and Quality | Executive Directors, Directors, Managers, Staff |
| **Resource Management Risks** Relate to adequacy and allocation of resources | People, Money, Information, Assets | Executive Directors, Directors |
| **Project Risks** Relate to the development and implementation of policy, program, and operational projects which are affected by implementation time, budget and quality parameters | Cost, Timeliness, Quality, Appropriateness of Projects | Managers, Project Managers, Staff |

Risk management is integrated into EPSDD's governance and reporting framework.

# 4.  Guiding Approach for Risk Management

Risk management is guided by the following:

- risk management is consistent with the Standard;

- risk management is a proactive systematic process with all risks assessed in accordance with the matrix at **Appendix A**;

- consideration of EPSDD's operating environment and approach to identifying its strategic risks, as set out at **Appendix** B;

- incorporating the outcomes of Appendix's A and B, EPSDD has undertaken an assessment, outlined in **Appendix C**, of its high level Strategic Risks; and

- in managing business level risks there should be a clear link to the strategic risks. The table in **Appendix D** identifies which EPSDD business units have risks related to EPSDD's strategic risks and also seeks to identify the major projects being managed by these business units.

In addition to the above, it is important that:

- risk management is used proactively to identify and be conscious of risks, make informed decisions about mitigating those risks and to identify and harness potential opportunities;

- all staff are responsible for identifying and managing the risks in a proactive manner consistent with the organisations policies and guidelines on risk management;

- the Director-General is responsible for ensuring that staff and managers have the necessary skills and risk management tools to undertake effective risk management on a consistent basis across the organisation; and

- the level of response to a risk needs to be proportionate to the level and nature of the risk.

# 5.  Risk Appetite and Tolerance

EPSDD accepts *Low* and *Medium* levels of risk, but prefers not to accept *High* and *Extreme* risk levels. Circumstances may dictate that some *High* and *Extreme* risks are accepted by the Director-General and EMB due to no treatment or additional treatment being available to reduce the risk level further or because the opportunities and benefits to be realised are significant.

All risks are treated, monitored and escalated in accordance with the escalation process and managed to a level that is ***as low as reasonably practicable***. More frequent monitoring of a risk is required when risks remain higher than EPSDD's risk tolerance.

Generally, it would be inappropriate for EPSDD to:

(a)  damage the interests or reputation of the ACT Government or EPSDD;

(b)  threaten the lives of EPSDD's staff, customers or stakeholders;

(c)  damage EPSDD's credibility with the Government, the Legislative Assembly, the ACT community and other key stakeholders;

(d)  breach EPSDD's legislative obligations, including the ACTPS Code of Conduct and Code of Ethics; or

(e)  incur a significant financial loss to EPSDD.

There are no absolute tolerance limits available to assist in making decisions about risk. Identifying, assessing and managing risks requires the exercise of informed, careful and prudent judgement,

taking account of the controls that are in place to prevent risks from occurring or preventing or mitigating the consequences if the risk event did occur. There is also a need to consider the potential opportunities and benefits that can be achieved.

# 6. Risk Delegations

Risks rated at *High* and *Extreme* should have documented risk treatments and be monitored regularly by the Director-General and EMB.

# 7. Risk Responsibilities

The following risk categories have been identified:

- Assets
- Budgets, Financial Management and Accounting
- Business Continuity
- Environment Protection
- Governance
- Heritage
- Legislative and Regulatory Compliance
- People
- Planning Delivery
- Policy
- Procurement
- Reputation
- Stakeholder Engagement
- Strategic Planning
- Technology and Systems
- Water Regulation
- Workplace Health and Safety.

**Responsibilities**

The Executive Directors and Directors have been allocated responsibility for a portfolio of risk categories as follows:

| Manager | Risk Portfolio |
|---|---|
| **Asbestos Coordinator -General** | ▪ Asbestos Response Taskforce |
| **Executive Director, Strategic Planning** | ▪ Master Planning<br>▪ Transport Policy<br>▪ Heritage<br>▪ Land and Infrastructure |
| **Executive Director, Planning Delivery** | ▪ Impact, Code and Estate Assessment<br>▪ Merit Assessment<br>▪ Lease Administration<br>▪ Territory Plan |
| **Executive Director, Climate Change and Sustainability** | ▪ Climate Change Policy<br>▪ Energy Policy<br>▪ Waste Policy<br>▪ Sustainability Programs |
| **Executive Director, Environment (including ACT Parks and Conservation)** | ▪ Environment Protection<br>▪ Catchment Management and Water Policy<br>▪ Nature Conservation<br>▪ Canberra Integrated Urban Waterways<br>▪ Conservator<br>▪ Parks, reserves and rural lands. |
| **Director, Finance and Operational Support** | ▪ Human Resources<br>▪ Finance<br>▪ Records Management/ICT<br>▪ Governance<br>▪ Facilities and Fleet Management |

# 8. Responsibilities and Accountabilities for Managing Risk

The following responsibilities and accountabilities exist for risk management:

- **EMB** is responsible for:

    o oversight of the risk management framework, including policies and processes across EPSDD. The Risk Register and other information will be used to reflect EPSDD's risk profile**;**
    the implementation and maintenance of sound risk management systems and processes across the organisation;

    o managing strategic risks, i.e., those risks that affect the organisation as a whole or prevent achievement of strategic objectives; and

    o formally monitoring and reviewing the management of *High and Extreme risks* on a quarterly basis and *Emerging risks* as a standing agenda item.

- **Executive Directors, Directors and Managers** are responsible for the identification, assessment and management of risks relating to their area of operation and for communicating *High* and *Extreme* risks to EMB in accordance with this policy.

- **Executive Directors, Directors and Managers** should also monitor and review progress with the management of risks in their area of operation, and consider new and emerging risks on a regular basis. They are also responsible for ensuring that staff are aware of the relevant EPSDD policies and approaches to risk management and have the necessary skills to manage risks related to their particular areas of work. **All EPSDD staff** should identify and manage the risks that relate to their area of work in a manner consistent with all policies and guidelines on risk management.

- **Assigned officer** - the person assigned responsibility for a strategic risk is responsible for implementing additional risk management strategies and ensuring that the central Risk Register is updated.

# 9.    When is Risk Management used?

Formal risk assessment should be undertaken in:

- the strategic planning process;

- the annual business planning process;

- the development and implementation of new, or changes to, policies, programs and services, including new policies and procedures, new strategies and activities, changes to levels of activity, potentially sensitive issues which are likely to have a significant impact on EPSDD;

- any new activity, change in activity, initiative or project with the potential to cause significant reputational or other damage should they fail;

- the commencement of all new programs/projects with a monetary value in excess of $50,000; and

- tender and contract processes for goods and services with a monetary value in excess of $50,000.

In other situations, staff should continue to exercise judgement in determining the extent to which formal risk assessment procedures should be undertaken in relation to particular projects or tasks. The principles and basic techniques of risk management should be applied by staff in their daily work, whether in policy development, program management, service delivery, providing corporate services or other activities.

# 10.   Documentation of risks

Each stage of the risk management process should be recorded appropriately. This requires that staff use the agreed *risk plan and register template* at **Appendix E** to record their detailed assessment of risks. The template should also be used to record the existing controls and effectiveness; likelihood, consequence and overall rating of the identified risks; proposed risk treatments; identify the responsible person(s) for implementation; timeframe for implementation and review; status and other comments and monitoring arrangements as appropriate.

# 11.  Reviewing and reporting on risks

EPSDD's risks will be managed and reported as follows:

- **emerging risks**, focusing on *High* and *Extreme Risks* will be raised at EMB as soon as possible, noting that emerging risks are a standing agenda item at EMB meetings;

- **strategic risks**, focusing on *High* and *Extreme Risks* will be reported to and reviewed by EMB on a **quarterly basis**, unless more frequent reporting is requested for specific risks;

- **operational risks** will be reviewed at least annually as part of Business Planning; and

- **project risks** will be assessed during project initiation and reviewed during the life of a project.

# 12.  Related Policies

The following policies are related to this policy:
- Corporate Plan
- Business Planning Policy
- Various EPSDD policy documents, including Work Health and Safety, HR Policies and Guidelines, and Fraud and Corruption Plan.

# 13.  Further Assistance

If you need any assistance in the management of risk please contact the Senior Manager Governance or Chief Finance Officer.

# Appendix A – EPSDD Risk Assessment Matrix



## Consequence

| | Insignificant | Minor | Moderate | Major | Catastrophic |
|---|---|---|---|---|---|
| **Assets** | Loss or destruction of assets up to $2,000 | Loss or destruction of assets $2,000 to $10,000 | Loss or destruction of assets $10,000 to $100,000 | Loss or destruction of assets $100,000 to $5M | Loss or destruction of assets greater than $5M |
| **Compliance/ regulation** | Non-compliance with work policy and standard operating procedures which are not legislated or regulated | Numerous instances of non-compliance with work policy and standard operating procedures which are not legislated or regulated | Non-compliance with work policy and standard operating procedures which require self reporting to the appropriate regulator and immediate rectification. | Restriction of business operations by regulator due to non-compliance with relevant guidelines and / or significant non-compliance with policy and procedures which threaten business delivery. | Operations shut down by regulator for failing to comply with relevant guidelines and /or significant non-compliance with internal procedures could result in failure to provide business outcomes and service delivery. |
| **People** | Injuries or ailments not requiring medical treatment. | Minor injury or First Aid Treatment Case. | Serious injury causing hospitalisation or multiple medical treatment cases. | Life threatening injury or multiple serious injuries causing hospitalisation. | Death or multiple life threatening injuries. |
| **Environment** | Limited effect to something of low significance | Transient, minor effects | Moderate, short-term environmental harm | Significant, medium-term environmental harm | Long term environmental harm |
| **Financial** | 1% of Budget or <$5K | 2.5% of Budget or <$50K | > 5% of Budget or <$500K | > 10% of Budget or <$5M | >25% of Budget or >$5M |
| **Products and Services** | No disruption to services | Minor disruption to services for up to 1 month | Total cessation of service for up to 1 days and subsequent disruption of 1 to 2 months | Total cessation of service for up to 7 days and subsequent disruption of 2 to 3 months | Total cessation of service for more than 1 week and disruption over subsequent months involving a major facility |
| **Technology** | Interruption to electronic records and data access less than ½ day. | Interruption to electronic records and data access ½ to 1day | Significant interruption (but not permanent loss) to data and electronic records access, lasting 1 day to 1 week | Complete, permanent loss of some electronic records and/or data, or loss of access for more than one week | Complete, permanent loss of all electronic records and data |
| **Reputation & Image** | Internal Review | Scrutiny required by internal committees or internal audit to prevent escalation. | Scrutiny required by external committees or ACT Auditor General's Office, or inquest, etc. | Intense public, political and media scrutiny. E.g.: front page headlines, TV, etc. | Assembly inquiry or Commission of inquiry or adverse national media. |
| **Cultural & Heritage** | Low-level repairable damage to commonplace structures | Mostly repairable damage | Permanent damage to items of cultural significance | Significant damage to structures or items of cultural significance | Irreparable damage to highly valued items of cultural significance |
| **Business Process & Systems** | Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule. | Policy procedural rule occasionally not met or services do not fully meet needs. | One or more key accountability requirements not met. Inconvenient but not client welfare threatening. | Strategies not consistent with Government's agenda. Trends show service is degraded. | Critical system failure, bad policy advice or ongoing non-compliance. Business severely affected. |

## Likelihood

| | Frequency | | Matrix | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|---|---|
| **Almost Certain** | Is expected to occur in most circumstances | >1 in 10 | 5 | Medium | High | High | Extreme | Extreme |
| **Likely** | Will probably occur | 1 in 10 - 100 | 4 | Medium | Medium | High | High | Extreme |
| **Possible** | Might occur at some time in the future | 1 in 100 – 1,000 | 3 | Low | Medium | Medium | High | Extreme |
| **Unlikely** | Could occur but doubtful | 1 in 1,000 – 10,000 | 2 | Low | Medium | Medium | High | High * |
| **Rare** | May occur but only in exceptional circumstances | 1 in 10,000 – 100,000 | 1 | Low | Low | Medium | Medium | High * |

## Priority for Attention / Action

| Priority | Suggested Timing of Treatment | Authority for continued tolerance of risk |
|---|---|---|
| **Extreme** | Short term – normally within one month * Detailed action plan required | Director- General |
| **High** | Medium term – normally within three months Needs senior management attention | Senior Executive |
| **Medium** | Normally within 1 year Specify management responsibility | Managers |
| **Low** | Ongoing control as part of a management system Manage by routine procedures | All staff |

## Risk Control Effectiveness

| Control Effectiveness | Guide |
|---|---|
| **Adequate** | Nothing more to be done except review and monitor the existing controls. Controls are well designed for the risk, are largely preventative and address the root causes and Management believes that they are effective and reliable at all times. Reactive controls only support preventative controls. |
| **Room for Improvement** | Most controls are designed correctly and are in place and effective however there are some controls that are either not correctly designed or are not very effective. There may be an over-reliance on reactive controls. Some more work to be done to improve operating effectiveness or Management has doubts about operational effectiveness and reliability. |
| **Inadequate** | Significant control gaps or no credible control. Either controls do not treat root causes or they do not operate at all effectively. Controls, if they exist are just reactive. Management has no confidence that any degree of control is being achieved due to poor control design and/or very limited operational effectiveness. |

# Appendix B - EPSDD Operating Environment and Strategic Risks

Date of this Risk Assessment: 31 January 2017 to reflect the addition of the Parks and Conservation Service and the Asbestos Response Taskforce to EPSDD.

## 1. Analysis of Operating Environment

Set out below are the key external and internal environmental factors affecting EPSDD:

| External Environment | Internal Environment |
|---|---|
| 1. **Large and growing agenda:** In servicing the needs of two Ministers and their offices EPSDD is expected to deliver on a large and growing agenda of major planning, environmental and legislative initiatives, including Asbestos Response Taskforce, Parks and Conservation Service, light rail master plan and other activities to support Capital Metro, implementation of the City Plan, facilitating renewable energy investments, wind auctions, major revisions of the Nature Conservation and Heritage Acts, and an $85 million catchment management initiative. | **People issues** |
| | 1. **Key people:** EPSDD relies on a relatively small number of key people across many areas of its activities and it is becoming increasingly more difficult to respond to additional Ministerial or Government initiatives. |
| 2. **Reduced funding:** The ACT Government has reduced funding and staffing resources of EPSDD in recent years. | 2. **Skills:** EPSDD either lacks or has limited depth of skills and experience in some areas, e.g. strategic planning, transport planning, catchment management, project management and succession planning. |
| 3. **High expectations** There are high expectations on EPSDD from the Government, industry and the community to achieve better planning and environmental outcomes, reduce red and green tape and streamline decision making processes related to planning and building and other areas of EPSDD. EPSDD needs to be more agile to meet these expectations. | 3. **Staffing reductions** in recent years has resulted in a loss of skills and experience and corporate memory in some areas. |
| | 4. **Staff burnout:** There are concerns that reduced staffing numbers and the considerable policy, program and legislative agenda could cause staff burnout and stress and result in the loss of staff with key skills and experience. |
| 4. **Balance responsibilities:** EPSDD has to balance responding to and facilitating economic development pressures against its regulatory and custodian roles, in which EPSDD can be seen as blocking development. | 5. **Complexity:** Most EPSDD activities are undertaken within a diverse and complex legislative and policy framework and staff have to know and understand the relevant legislation and/or policies. |
| 5. **Diverse stakeholders:** EPSDD has to take account of a large, diverse and often conflicting range of stakeholder interests in advancing planning, environmental regulatory and legislative initiatives and it can be difficult for some stakeholders to accept that EPSDD has engaged effectively and appropriately with them. The need for extensive stakeholder engagement on issues can slow down decision making. | 6. **Organisational Change:** EPSDD is still developing its culture and ethos and breaking down barriers between its divisions. The strong legacy cultures of some areas can inhibit the development and implementation of new approaches to business processes. Delay in implementing the new structure has inhibited cultural change in EPSDD. |
| | 7. **Field based staff:** Notwithstanding that EPSDD has a strong focus on Workplace Health and Safety, its field workers could be exposed to many potential risks which could adversely affect their health and safety. |
| 6. **Other directorates:** EPSDD needs to engage and build effective relationships with other directorates, particularly Chief Minister, Treasury and Economic Development Directorate, to achieve its objectives. This can be difficult to achieve. | 8. **Ageing workforce** in some divisions an ageing workforce will result in the loss of skilled and experienced staff and impair EPSDD's ability to achieve its business objectives. |
| 7. **Public concerns:** There have been recent public concerns about the quality of building controls and the adequacy of certification processes. | **Other issues** |
| | 9. **Insufficient capacity:** EPSDD does not have the capacity to undertake QA reviews of some of its decisions and business processes. |
| | 10. **Strict budgetary climate:** Streamlining current decision making processes requires investment in better technologies and systems and this can be difficult to achieve in the current budgetary climate. |
| | 11. **Budgetary pressures** could adversely affect the quality of EPSDD regulatory activities as a result of less activity. |
| | 12. **Records management:** The Objective system is seen by some as cumbersome. Objective is not universally used across EPSDD and does not facilitate connectivity and sharing documents with other ACT agencies. There are also concerns about the poor state of paper based building files. The loss of these files poses a significant risk for EPSDD. |
| | 13. **Some stakeholders** can exert undue pressures on staff where they do not agree with EPSDD activities, e.g., kangaroo culls. |
| 8. **Inappropriate action or inaction** on the part of EPSDD could expose the ACT community to risks that could have an adverse impact on the ACT environment or the health and safety of ACT | 14. **Review:** current policies and procedures and quality assurance systems need to be reviewed to |

| External Environment | Internal Environment |
|---|---|
| residents.<br>9. **Complexity:** The complexity of the Territory Plan, related planning policies and rules, environmental and heritage regulatory environments could expose EPSDD to appeals and criticism.<br>10. **External skills environment:**<br>11. **Impact of Federal Fiscal Environment:** The Federal budgetary environment could have a negative impact on the ACT and its economy. | ensure that they are fit for purpose in the current operating environment. |

## 2. Approach to Developing the Risk Management Plan

The draft risk management plan was developed as follows:

- review of key EPSDD strategic and risk management documentation;
- consultations with members of EMB;
- consultations with the independent members of the EPSDD Audit Committee;
- a Strategic Risk Discussion Paper was developed and discussed at a meeting of EMB on 12 May 2014;
- a draft risk assessment and risk management plan was circulated to members of EMB for comment; and
- the final Risk Management Plan was subsequently considered and agreed to by EMB.

Risks were assessed using the EPSDD Risk Assessment Matrix. The effectiveness of existing controls was assessed using the following criteria:

- **Adequate**: controls are operating and are effective in preventing risk;
- **Room for Improvement**: controls partly effective in preventing risk, but might be improved in some areas; and
- **Inadequate**: controls are not effective in preventing risk and need significant improvement or compliance needs to be strengthened.

# Appendix C - EPSDD Strategic Risks

Set out below are EPSDD's high level Strategic Risks, including an assessment of these risks and the proposed treatments.

| Risk Reference | Risk Category | Hazard Category | The Risk: | Source/Hazard: | Impact | Risk Owner | Current Controls | Inherent Consequence | Inherent Likelihood | Inherent Rating | Inherent Effectiveness | Treatment Owner | Action | Residual Consequence | Residual Likelihood | Residual Rating | Residual Effectiveness | Monitored | Review date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Reputation and Image | | 1. Inability to respond to Ministers or Government priorities | Inability to recruit, train and or retain staff with the right skills and experience Significant agenda of major planning, environmental, energy and legislative initiatives (including light rail masterplan and other initiatives to support Capital Metro, implementation of the City Plan, facilitating renewable energy investments. Major revisions of the Building, Nature Conservation and Heritage Acts). Significant budgetary pressures on EPSDD and major reductions in staff numbers. Lack of key skills and experience in some areas, e.g., transport planning, catchment management.  Reliance on a small number of key people who are under significant pressures. Concerns about staff burnout and stress.  Impact of the recent restructure. Inadequate approaches to project management and limited project management skills. Potential for probity issues with wind and solar auctions. Limited project management skills. | Inability to deliver on key Ministerial and/or Government initiatives. Loss of Ministerial or Government confidence in and support for EPSDD. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Damage to the reputation of EPSDD. MOG changes which undermine or dilute the functional logic and integrity of EPSDD. Potential for loss of key staff from burnout or stress. | Director-General | Strong Executive focus on key Ministerial and Government priorities Regular discussions with Ministers on progress with initiatives and renegotiation of timeframes EPSDD Planning and Reporting Framework Probity advice on wind and solar auctions Active engagement with Capital Metro Improving project management skills – recruiting Improving investigative skills Staff support programs in place Health and wellbeing initiatives Engaging with interstate regulators | 4 | 2 | High | Has Room for improvement | Executive Management Board | Continue to strengthen engagement with the Ministers and the Ministers' Offices. Develop a succession planning strategy for key people and ensure there are adequate handover processes when staff cease employment with EPSDD.  Continue monitoring and reporting on HR to EMB and respond to emerging needs and issues, particularly in relation to areas of skills deficits and staff burnout and stress. Continue to improve planning and reporting within the EPSDD governance framework and linking to business plans – quarterly reporting for Divisions. Continue recruitment and training in project management and reporting on emerging needs and issues to EMB. Ensure there is ongoing communications from the Director General on the implementation of the new structure. | 4 | 1 | Medium | Adequate | Executive Management Board | 30/03/2017 |

| Risk Reference | Risk Category | Hazard Category | The Risk: | Source/Hazard: | Impact | Risk Owner | Current Controls | Inherent Consequence | Inherent Likelihood | Inherent Rating | Inherent Effectiveness | Treatment Owner | Action | Residual Consequence | Residual Likelihood | Residual Rating | Residual Effectiveness | Monitored | Review date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 | Operational | | 2. Inability to leverage the synergies from the functional responsibilities and expertise across EPSDD | High expectations of EPSDD – government, business, community groups. Difficulty balancing regulatory and custodian roles against responding to economic development pressures and facilitating these initiatives. Silo mentality within the individual areas of EPSDD. Strong legacy cultures across the organisation which can be resistant to new approaches to business processes. Budgetary pressures inhibit investment in new technologies and systems to streamline business and decision making processes. Delays in implementing the new EPSDD structure. Weak IT support to field staff and a lack of responsiveness to IT needs from Shared Services. Limited project management skills. | Inability to deliver on key Ministerial and/or Government initiatives. Loss of Ministerial or Government confidence in and support for EPSDD. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Damage to the reputation of EPSDD. MOG changes which undermine or dilute the functional logic and integrity of EPSDD and lessen organisational focus. | Director-General | Restructure of EPSDD Where significant changes are involved, assistance and training is being provided to staff, along with staff and union consultations EPSDD Planning and Reporting Framework Investment in IT technologies and systems | 4 | 3 | High | Has Room for improvement | Executive Management Board | Address areas of high risk with specific actions, including a focus on breaking down the silos, building the EPSDD culture, implementing the new structure and improving IT across EPSDD. Participate in whole of Government forums to develop IT solutions that benefit many. Implement the EPSDD IT Strategic Plan and continue meetings of the PICT Committee to shape priorities and identify opportunities for business cases. Continue to implement budget funded initiatives to upgrade Objective and reengineer the e-development platform, which will also address field worker ICT access. Lobby SSICT to implement successful trials of business systems initiatives which make access to information and operations easier. Continue recruitment and training in project management and reporting on emerging needs and issues to EMB. | 4 | 2 | High | Adequate | Executive Management Board | 30/03/2017 |
| 3 | Compliance / Regulation | | 3. Major regulatory failing | The quality of EPSDD regulatory activities in relation to lease administration, building control, environmental protection and development control is adversely affected by reduced activity because of budgetary pressures on EPSDD and/or the loss of key staff. Recent public concerns about the quality of building controls and the adequacy of certification processes. The complexity of the Territory Plan, related planning policies and rules, environmental, heritage and building regulatory environments. Inadequate resources to meet regulatory expectations. Concerns have increased but the nature of buildings has become more complex. | Loss of Ministerial or Government confidence in and support for EPSDD. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Loss of key stakeholder support. MOG changes which undermine or dilute the functional logic and integrity of EPSDD. Exposure to legal action in relation to regulatory failures. Damage to the reputation of EPSDD. | Director-General | Business processes and systems and policies and procedures Skills and experience of key staff QA re regulatory activities Audits Involvement with industry training bodies | 4 | 3 | High | Has Room for improvement | Executive Management Board | Strengthen regulatory QA systems and processes. Continue to participate effectively in industry training forums. Continue to liaise with industry to raise standards and professionalism. | 4 | 2 | High | Adequate | Executive Management Board | 30/03/2017 |

| Risk Reference | Risk Category | Hazard Category | The Risk: | Source/Hazard: | Impact | Risk Owner | Current Controls | Inherent Consequence | Inherent Likelihood | Inherent Rating | Inherent Effectiveness | Treatment Owner | Action | Residual Consequence | Residual Likelihood | Residual Rating | Residual Effectiveness | Monitored | Review date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4 | General Management Activities | | 4. Inability to meet key public sector accountability requirements | Despite current management policies and controls EPSDD could fail to meet key public sector accountability requirements. Inadequate operation of the risk management framework. Loss of key information arising from serious deterioration of paper based files, maps and other records. | Criticism from the ACT Audit Office. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Exposure to review from the Assembly. Damage to the reputation of EPSDD. | Director-General | EPSDD policies and procedures covering budgeting and financial management, HR management, procurement, IT security, etc. Financial management reporting processes and systems Key Management Plans, including those relating to Risk Management, Fraud and Corruption Prevention, Business Continuity EPSDD Planning and Reporting Framework Monitoring by EMB Internal Audit program | 4 | 3 | High | Has Room for improvement | Executive Management Board | Continue to strengthen the governance framework of EPSDD. Continue to improve policies and procedures. Continue to improve reporting to and monitoring of key business and corporate operations by EMB. Continue to communicate expectations for compliance to staff. Undertake a stocktake of paper based files, maps and other records and take appropriate remedial action. | 4 | 2 | High | Adequate | Executive Management Board | 30/03/2017 |
| 5 | Fraud | | 5. Significant corruption incident involving improper influence of EPSDD staff | Exposure of staff to corruption by those seeking approvals. Exposure to risks relating to improper influence of staff. Negative perceptions from adverse audit findings. | Loss of Ministerial or Government confidence in and support for EPSDD. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Loss of key stakeholder support. MOG changes which undermine or dilute the functional logic and integrity of EPSDD. Damage to the reputation of EPSDD. | Director-General | Business processes and systems and policies and procedures designed to reduce the likelihood of corruption Fraud and Corruption Prevention Policy and Plan Fraud and Corruption training for staff Senior Executive Responsible for Business Integrity Internal audit program Conflict of interest policy | 4 | 2 | High | Has Room for improvement | Executive Management Board | Because of the level of the risk, it will be managed through normal business processes. | 4 | 1 | Medium | Adequate | Executive Management Board | 30/03/2017 |
| 6 | Operational | | 6. Inability to achieve key initiatives or objectives | Ineffective stakeholder/community engagement EPSDD needs to take account of a large, diverse and often conflicting range of stakeholder interests in advancing key planning, legislative and environmental initiatives. Engagement with some stakeholders not always achieving their desired outcomes. EPSDD difficulties engaging with other directorates. | Loss of Ministerial or Government confidence in and support for EPSDD Lack of support from other directorates Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly MOG changes which undermine or dilute the functional logic and integrity of EPSDD Damage to the reputation of EPSDD | Director-General | Well established stakeholder engagement policies and processes Strong Executive focus on key Ministerial and Government priorities Regular discussions with Ministers on progress with initiatives and renegotiation of timeframes EPSDD Planning and Reporting Framework EPSDD engagement mechanisms with other directorates | 4 | 3 | High | Has Room for improvement | Executive Management Board | Because of the level of the risk, it will be managed through normal business processes Promote consultations and engagement with the community and key stakeholders, including monitoring, reporting and early mediation. | 4 | 2 | High | Adequate | Executive Management Board | 30/03/2017 |

| Risk Reference | Risk Category | Hazard Category | The Risk: | Source/Hazard: | Impact | Risk Owner | Current Controls | Inherent Consequence | Inherent Likelihood | Inherent Rating | Inherent Effectiveness | Treatment Owner | Action | Residual Consequence | Residual Likelihood | Residual Rating | Residual Effectiveness | Monitored | Review date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7 | People | Other | 7. Significant Workplace Health or Safety (WHS) breach | Adverse affect to EPSDD staff, clients or community EPSDD field workers could be exposed to many potential WHS risks which could adversely affect their health or safety resulting in serious injury, illness or death. Action or a failure to take action on the part of EPSDD could expose the ACT community to risks that could adversely affect their health or safety resulting in serious injury, illness or death. Concerns about staff burnout and stress, and impact of the recent restructure. | EPSDD or members of the ACT community could be exposed to serious injury, illness or death. Loss of key staff members. Exposure to litigation from affected staff or the community. Exposure of EPSDD management to prosecution. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Damage to the reputation of EPSDD. | Director-General | WHS policies and procedures Senior management involvement in the WHS Committee WHS training for staff Internal audit program Continuous Improvement Forum Annual WHoG Due Diligence reporting | 4 | 3 | High | Has Room for improvement | Executive Management Board | Continue existing controls and ensure that they continue to operate effectively, including through the audit processes. | 4 | 2 | High | Adequate | Executive Management Board | 30/03/2017 |
| 8 | Business Processes and Systems | | 8. Recovery of business operations unachievable | Despite current business continuity planning, EPSDD may not be able to recover key business operations within an acceptable timeframe following a major disruption. | Potential loss of key premises, critical business systems or key personnel. Inability to provide key services or carry out key business activities. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Damage to the reputation of EPSDD. | Director-General | EPSDD Business Continuity Plan Regular testing of the BCP IT back-up arrangements Arrangements for alternative office accommodation identified in BCP Manual operating procedures in the event of IT failure | 4 | 2 | High | Has Room for improvement | Executive Management Board | Because of the level of the risk, it will be managed through normal business processes. | 4 | 1 | Medium | Adequate | Executive Management Board | 30/03/2017 |
| 9 | Environment | | 9. Catastrophic environmental event | EPSDD may not be able to recover key business operations within an acceptable timeframe following a major disruption, such as major bushfire, flood. | Potential loss of key premises, critical business systems or key personnel. Inability to provide key services or carry out key business activities. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Damage to the reputation of EPSDD. | Director-General | EPSDD Business Continuity Plan Regular testing of the BCP Bushfire Operations Plan implemented and reviewed. Arrangements for alternative office accommodation identified in BCP Manual operating procedures in the event of IT failure | 4 | 3 | High | Has Room for improvement | Executive Management Board | Continue existing controls and ensure that they continue to operate effectively, including through the audit processes. | 4 | 2 | High | Adequate | Executive Management Board | 30/03/2017 |
| 10 | Operational | | 10. Failure to deliver the loose fill asbestos eradication scheme. | Ineffective stakeholder/community engagement. Engagement with some stakeholders not always achieving the desired outcomes. EPSD (ART) difficulties engaging with other directorates. | Inability to deliver on key Ministerial and/or Government initiative. Loss of Ministerial or Government confidence in and support for EPSDD. Exposure to adverse comment and criticism from key stakeholders, the media and the Assembly. Damage to the reputation of EPSD. Potential for loss of key staff from burnout or stress. | Director-General | Implementation of the Asbestos Response Taskforce Governance and reporting framework and monthly monitoring of performance to Eradication Scheme Steering Committee against agreed performance, budgetary and risk control/management indicators | 4 | 3 | High | Has Room for improvement | Executive Management Board | Monthly performance reporting from Eradication Scheme Steering Committee to Minister/s, Director-General EPSD and community. Progress report and risk profile to the EPSD Audit and Risk Committee ** Further risk treatments contained within the Asbestos Taskforce Risk Register(s) ** | 4 | 2 | High | Adequate | Executive Management Board | 30/03/2017 |
| 11 | | | 11. Project or Divisional specific risks | | | | | | | | | | | | | | | | |

## Appendix D - EPSDD Business Unit Level Risks

Set out below is an overview of the business unit level risks in EPSDD. This table identifies which EPSDD business units have risks related to EPSDD's strategic risks and also identifies major projects being managed by the business units.

| Strategic Risks | Strategic Planning | Planning Delivery | Climate Change and Sustainability | Environment (including EWP and PCS) | Finance and Operational Support | Asbestos Response Taskforce |
|---|---|---|---|---|---|---|
| 1. Inability to respond to Ministers or Government priorities | X | X | X | X | X | |
| 2. Inability to leverage the synergies from the functional responsibilities and expertise across EPSDD | X | X | X | X | X | |
| 3. Major regulatory failing | X | X | X | X | | |
| 4. Inability to meet key public sector accountability requirements | X | X | X | X | X | |
| 5. Significant corruption incident involving improper influence of EPSDD staff | X | X | X | X | X | |
| 6. Inability to achieve key initiatives or objectives | X | X | X | X | | |

EPSDD Risk Management Policy March 2017

| Strategic Risks | Strategic Planning | Planning Delivery | Climate Change and Sustainability | Environment (including EWP and PCS) | Finance and Operational Support | Asbestos Response Taskforce |
|---|---|---|---|---|---|---|
| 7. Significant Workplace Health or Safety (WHS) breach | | | X | X<br><br>Inspectors<br><br>Nature Conservation field staff | | |
| 8. Recovery of business operations unachievable | | X | | X | X<br><br>Regularly update Business Continuity Plan and facilitate testing | |
| 9. Catastrophic environmental event | | | X | X<br>Regularly implement and review the Bushfire Operations Plan | X | |
| 10. Failure to deliver the loose fill asbestos eradication scheme. | | | | | | X |
| 11. Project or Divisional/Branch specific risks | Capital Metro<br><br>Heritage Legislation | Timely TPVs and approvals for projects of Territorial importance.<br><br>One stop shop under the EPBC Act. | Wind Auction<br><br>Solar Auction | Catchment Management Project<br><br>Nature Conservation Act | Enhance governance and reporting processes in EPSDD | |

# Appendix E - EPSDD Risk Register template

| | | The Risk: | Source/Hazard: | Impact / Outcome | Risk Owner | Risk Controls which are currently in place | Risk Rating | | | | Risk Treatment Owner | Action to be Taken | Risk rating with additional controls | | | | Monitoring and Reviewing | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

**Directorate: Environment Planning and Sustainable Development** — **Branch / Event: 0**

Buttons shown: Print | Print | Reset Formatting | Print Cell Edit Tips | Preview Risk Register | Preview Sorted Risks | Preview Statistics | Print Risk Register | Print Sorted Risks | Print Statistics | Print All

| Risk Category | Hazard Category for people Risks | The Risk: * What can happen? A Description of the risk. | Source/Hazard: * How can this happen? The Drivers to the risk. Contributor, Hazard or Source of the Risk | Impact / Outcome *What will be the outcome or effect, if what can happen does happen? Impact on the business objectives. The consequence. | Risk Owner *The officer responsible for managing the risk | Risk Controls which are currently in place * This field is for the risk controls that already exist and are currently managing the risk. | Consequence | Likelihood of consequence | Inherent Risk Rating (Original) | Control Effectiveness Rating | Risk Treatment Owner *The officer responsible for managing the risk treatments | Action to be Taken *Can include further risk treatment strategies or a rationale behind no further action where rating is rated as "room for improvement" or inadequate" (Reference can be made to a "risk treatment action plan" and/or a cost benefit analysis for relevant risks) | Consequence | Likelihood of consequence | Residual Risk Rating | Control Effectiveness Rating | Monitored by whom | Review and monitor date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |

EPSDD Risk Management Policy March 2017