



Risk Management Guide

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1. Objectives

This guide is designed to be an all encompassing resource for understanding your obligations in respect to risk management. This guide aims to educate all volunteers at Oaktree about the intricacies of Risk and Compliance.

If you have a question and are unable to find the answer in this guide, please contact either the Chief Financial Officer (CFO) or the Risk Manager.

2. Fundamentals of Risk

- What is a Risk?
 - At its core, a risk is anything that will prevent Oaktree from achieving its goals and missions.
- Who is exposed to risk?
 - Oaktree is exposed to risk as an entity, and subsequently employees and volunteers at Oaktree are also exposed to risk.
- Why is risk management important?
 - Without Risk Management, Oaktree cannot possibly define its goals for the future. Objectives that are defined without considering the many risks



possibly involved have the potential to cause the organisation to lose direction should one of these risks eventuate.

- Who is responsible for risk management at Oaktree?
 - It is the responsibility of all employees and volunteers at Oaktree to make some effort to be aware of the risks facing them, as well at times to perform Risk Assessments, as outlined in **Section 4** of the **Risk Management Guide**.
 - The **Shared Services** portfolio is directly responsible for overseeing and handling risk management across Oaktree's operations.

3. Purpose

The purpose of risk management is to identify barriers that may prevent a goal from being achieved, and to implement prevention strategies to reduce the likelihood and impact of a consequence.

Crucially, this requires all activity/venture/trip organisers to actively engage in the development of all risk management plans. It is therefore important that risk assessments are not recycled from previous activities and are completed from scratch to ensure new risks are accounted for.

Risk Management can cover a wide variety of areas and topics. Topics range from day to day operations to huge projects and ventures. Please refer to **Section 4** of this guide for information on when risk management is required.

4. When is Risk Management required?

Risk needs to be managed constantly. The table below sets out when formal risk assessments are required to be completed. If a risk assessment is not approved before the event, the event cannot go ahead.

Different events will require varying levels of planning and review. Please refer to the table below as a guide to what approach is necessary.



Type	Risk Assessment	Approver	Draft required by
Overseas Trip (of any size and for any purpose)	Mandatory	Risk & Compliance Committee (RCC)	1 month prior to departure
Significant events (longer than 2 days and/or with more than 200 people)	Mandatory	Risk & Compliance Committee (RCC) + Board Review	2 months prior to event
Large events: <ul style="list-style-type: none"> Public facing events Events with more than 50 people Multi-stakeholder Event E.g. Dine Below the Line, fundraisers, National Conference 	Mandatory	Risk & Compliance Committee (RCC)	1 month prior to event
Small events <ul style="list-style-type: none"> An event that is neither Significant or Large, and is not captured by another category 	At the discretion of the CFO*	CFO (if required)	As determined by the CFO but no less than 3 weeks before event if required
New Strategic Initiatives <ul style="list-style-type: none"> Something that is significantly new to Oaktree compared to normal operations 	Generally yes-significance is determined by CEO & Board	Executive Approval + Board Review	As determined by CEO & Board
Oaktree Retreats Types: <ol style="list-style-type: none"> Held @ Oaktree HQ Is less than 21 people Is more than 20 people This is for Oaktree Representatives only. I.e. not CL camps	<ol style="list-style-type: none"> Yes Yes Yes 	CFO	As determined by CFO but no less than 3 weeks before the event.



Team meetings & other standard role requirements	Not required	NA	NA
Other (If you are unsure or do not see a category here that covers your desired initiative)	At the discretion of the CFO*	CFO (if required)	As determined by the CFO but no less than 2 weeks before if required

*Key questions to ask CFO:

1. Will some attendees be under 18?
2. Will alcohol be served?
3. Will food be served?
4. Will any potentially dangerous activities be conducted?
5. Rough outline of any intended activities (e.g. we are going to be doing a high ropes course and then move into strategy sessions)

If yes to 1, 2, 3 or 4, a risk assessment is required.

5. How to perform Risk Management

Introducing the Risk Management Process

When we talk about Risk Management at Oaktree we are referring to a simple and essential process. This section of the guide will outline how to go about this process.

1. **Establish the Context:** This includes understanding why you need to do risk management, and what factors will influence your risks. Different operations and decisions will involve different risks and factors (e.g. For an overseas trip the country you are travelling to may influence what risks you include).
2. **Conducting your Risk Assessment:** Conducting a Risk Assessment has several steps. They are outlined briefly below:
 - I. **Identifying the Risks:** What could go wrong?
 - II. **Risk Analysis:** How likely is it the risk will eventuate?



III. **Risk Evaluation:** If they go wrong, what will be the consequences?

3. **Develop a Risk Treatment:** What can I do to reduce the likelihood & consequence of risks? Are there any barriers to reducing my risk?
4. **Monitor & Review:** Is my risk assessment up to date? Have all the actions outlined in the Treatment been completed?
5. **Communication and Consultation:** Have the right people been involved in the process & are they aware of the plans and actions which need to be taken?

5.1. Establish the Context

Most of the time, this is a very intrinsic part of the process. However, it is valuable to write down a list of categories that will provide a context for the assessment of your risks. It is important to think about the context of the activity because this will determine the risks that will arise and how they should be assessed.

- Example: Travelling to Cambodia has increased risk if it is close to an election due to **political factors**; or a rural event has been organised for the **middle of summer** and therefore the **risk of fire** will be high.

The context of your activity or operation will differ amongst different assessments. This is why it is important to fill out risk assessments with broad contextual issues in mind, such as national politics, overall danger ratings, accessibility and communication.

Risk Categories:

The following is a non-exhaustive list of risk categories that should be addressed in **every** risk assessment:

1. **Strategic** - damages the missions and ventures of the organisation.
2. **Financial** - damages the monetary capabilities of the organisation.
3. **Reputational** - damages the social status or brand equity of the organisation.
4. **Health and safety** - damages the physical and/or mental well being of an individual or a group of individuals, both internal and external.
5. **Compliance, governance and legal** - damages the organisation's obligations to various entities through breaches in policies and rules.
6. **IT** - damages the information technology capabilities of the organisation.



7. **Other** - damages to the organisation that do not fit into the other 6 categories.
Note that individual risks can be considered

5.2. Conducting your Risk Assessment

Performing a risk assessment involves multiple facets. You must **identify** the risks; assess their **likelihood & consequence**; and devise a risk **treatment** plan & **management** plan.

To help you with this task, the **Risk Assessment Template** should be used. Before completing a risk assessment using the template, you should also read and review the **Risk Assessment Training** document. The template also has helpful explanations of each column and an example of how you should fill out the template for a particular risk. These documents can be found on OaktreeYou.

When completing a risk assessment, it may be useful to use the following as a guide.

1. Risk Identification

Using the categories listed in **Section 5.1**, brainstorm all of the potential risks for each category for your activity or operation. You need to ask "What could go wrong?" This should be done by each activity organiser separately and then should be compared and integrated to form the base of the risk assessment.

- Example (2016 Masterclass):
 - Child Protection:** *under 18 participating in the event is abused*
 - Logistical:** *Speaker late to the event*
 - Health & Safety:** *someone burns themselves on hot water*
 - Financial:** *Overspending*
 - Reputational:** *Negative media about Oaktree*

IMPORTANT: It is important that you consolidate risks. This means combining similar specific risks as 1 broader risk. Please note the following:

- I. Consolidation is appropriate wherever management/treatment plans are the same or substantially similar for both. Conversely, it is not appropriate where a risk has substantially different management/treatment plans e.g. Malaria may warrant its own risk (outside of other health & safety risks) because its treatment plan may involve unique steps.



- II. It is especially important to combine risks with consequence scores of 3 or less.
- III. It is important to state the broader underlying risk as opposed to specific manifestations of that risk.
- IV. As a rule of thumb, try to include 4-6 broad risks per category.

2. Likelihood

This is used to assess the probability of an event occurring. We use a 1-5 classification scale to indicate the varying levels of probability that a risk will occur. See the following table:

Level	Descriptor	Description
5	Almost Certain	Expected to occur frequently during a 12 month period and/or the life of the project.
4	Likely	Expected to occur several times during a 12 month period and/or over the life of the project.
3	Possible	May occur during a 12 month period and/or the life of a project.
2	Unlikely	Will probably not occur during a 12 month period or the life of the project, except under very unusual circumstances.
1	Rare	Expected not to occur during a 12 month period or during the life of the project.

3. Consequence



This is used to assess the damage or consequence of an event occurring. We use a 1-5 classification scale to indicate the varying levels of damage that a risk will have if it occurs. See the following table for a description:

Level	Consequence	Example
5	Severe	Not achieving multiple critical goals of the organization.
4	Major	Not achieving a critical goal of the organization.
3	Moderate	Major delay in achieving a critical goal of the organization/Not achieving a non-critical goal.
2	Minor	Major delay in achieving a non-critical goal of the organization.
1	Insignificant	Negligible impact on organization.

IMPORTANT: When assessing the impact, you are assessing the impact on **Oaktree** as an entity, not the individual who may be affected.

For a more specific consequence analysis, refer to the Risk Management Framework, available from OaktreeYou. Each risk **type** has been given levels of consequence relating to outcomes more specific to that risk type.

4. Risk Priority Rating

The Risk Priority Rating (or Raw Score) combines the two factors of Likelihood & Consequence to give us an overall indication of the risk faced. This is represented by the table found below, which can also be found in the **Guidance** tab of the **Risk Assessment Template**.



Risk Matrix			CONSEQUENCE				
			Insignificant	Minor	Moderate	Major	Severe
			1	2	3	4	5
LIKELIHOOD	Almost certain	5	Medium	High	Extreme	Extreme	Unacceptable
	Likely	4	Medium	Medium	High	Extreme	Extreme
	Possible	3	Low	Medium	Medium	High	Extreme
	Unlikely	2	Low	Low	Medium	Medium	High
	Rare	1	Low	Low	Low	Medium	High

5. Self Review

An important step in the risk management process is to compare risk scores across different risks to ensure they have been recorded as appropriately as possible. This process allows you to screen for unrealistic assessments of particular risks and proactively address concerns that may be raised by the person reviewing your risk assessment. It is important in the self review stage to remember that the Consequence rating refers specifically to the risk facing Oaktree as an entity.

Example:

Risk	Likelihood	Consequence	Risk Priority Rating
Participant commits violent crime	2	5	High
Oaktree volunteer misses flight	2	5	High

In the above example, we see two risks have very different impacts on oaktree despite having been assigned the same Risk Priority Rating when considered individually. These scores should be adjusted to better reflect reality and their consequences for Oaktree.

Risk	Likelihood	Consequence	Risk Priority Rating
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Participant commits violent crime	1	5	High
Oaktree volunteer misses flight	2	3	Medium

As a final step you should conduct a final brainstorming session around the question: "If the activity went ahead as currently planned and was a disaster, looking back what went wrong?" This question is designed to help you assess whether you have captured all of the applicable risks. If you do identify a new risk, remember to add it to your risk assessment.

5.3. Treatment and Management Plans

The risk **Treatment** and **Management** plans are how we respond to risks. This includes both how we reduce the likelihood of it occurring, as well as methods used to prevent the damage from unfolding in the first place (Treatment Plan) and how we reduce the consequences, or damage, if it does occur (Management Plan).

This is the **most important** part of risk management process as it enables organisers to mitigate risk and have a prepared response strategy in the event a risk does eventuate.

For each risk you need to determine how you will try to prevent it from occurring and how you will manage it if it does occur. You can refer to the template risk assessment for an example, as well as the Risk Assessment Training document.

Please note the level of detail in the example; the management strategy takes you all the way from the incident occurring to reporting on the incident, and considers different scenarios for the same risk (i.e. whether the situation is an emergency or not).

If you feel like you are struggling to create realistic management & prevention plans please contact a team member with more experience in relation to the particular activity.

Treatment and Management Plans should be set out in a numbered list form in the Risk Assessment Template.

5.4. Monitor & Review



The risk assessment and subsequent treatment and management plans are only worthwhile if the actions that are derived from it are implemented. This is why the Risk Assessment Template includes columns for: who is responsible (**Owner**), what are the actions and the status of the action item. These columns should contain everything that is necessary for you to ensure that Treatment and Management plans can be effectively carried out. You should number these to facilitate easier follow up and review. Each action should be numbered, and the owner and status of each individual action should share the corresponding number in the list. Even if the same person is responsible for multiple actions, they should be listed under a new number every time a new action is included.

Here, the 2 most important take away points are:

1. When submitting a Risk Assessment for review, **please ensure that the status column is accurate and up to date.**
2. Before the assessed activity commences **please ensure that all outline actions are completed.**

For clarity: the owner column in the Risk Assessment Template must be filled in for **all** risks, and is an indicator of who is responsible for the risk itself.

5.5. Communication and Consultation

The best-laid out plans will count for nothing if they are not communicated and understood by all people involved, most importantly the people responsible for different actions. This is one of the key reasons why we ask you to always start an event or trip risk assessment from scratch. It is worthless to have a risk assessment if the person responsible for a risk does not understand their responsibility.

Training is often a key step in helping people to understand what the procedures are and what to do in emergencies. Not everyone has to have the same level of understanding of the risk assessment, but people should be aware of the risks that Oaktree considers to be the most consequential or likely. It is most important that the right people know what they are going to need to do in any given situation.

So communicate!



5.6 Checklist

Before conducting your assessed activity, you are **required** to:

1. Have an approved risk assessment
2. Have completed all action points set out in your risk assessment
3. Have copies of your emergency procedures printed and accessible
4. Have emergency contact details printed and to hand (particularly if overseas)
5. Ensure you have the appropriate insurance

This concludes the Risk Management Guide. If you have any questions or feedback (constructive or positive) please direct them to the Director of Legal or the CFO!

Below is an additional section containing some additional notes and advice for risk assessments involving **Overseas Travel**.

6. Special Notes on Overseas Travel

Risk Management is especially important for overseas travel as operating in a foreign country carries with it particularly high dangers. It is imperative that partakers in international operations are aware of the social, political, cultural and economic climate of the destination country. This information should be thoroughly researched and addressed in risk assessments.

You should pay special consideration to the following when completing risk management documents:

- What happens if a change in itinerary is required?



- What will you do if civil unrest occurs?
- Do you have sufficient backups should something go wrong?

The **Risk Pack** accompanying the Risk Assessment should include the following:

1. Itinerary

2. Briefing Pack

- a. Must include:
 - i. Emergency escalation procedures
 - ii. A list of in-country emergency contacts, including hospitals and emergency services for relevant locations, all accommodation, travel agent, insurance company etc.
- b. Consideration of international SOS services and whether they are needed for your particular trip

3. List of participants and a summary of their travel experience

4. Emergency contacts for every participant

5. Code of Conduct forms signed

6. Medical forms from every participant

7. Participant Consent forms

8. Insurance

- a. For an Australian citizen with no pre-existing medical conditions, AAMI travel insurance may be purchased without a review of the policy (PDS)
- b. For participants that are either not citizens or do have pre-existing medical conditions, the participant should conduct research into the best insurance provider for them, and submit the policy (PDS) to the Director of Legal for review prior to purchase

9. Working with Children Check from every participant (from relevant state)

10. First Aid Certificate for any first aid officers



11. A copy of Smart Traveller advice for the country you are travelling to

12. A document outlining how the team has specifically addressed matters raised in Smart Traveller advice, if applicable

If a Non-Oaktree participant is on a trip, please get in contact with the Director of Legal. At a minimum, the participant will be required to fill out a form agreeing to comply with Oaktree's policies and provide a valid Working with Childrens check.

7. Review of the Risk Management Guide

The Risk Manager will be responsible for the review of the Risk Management Guide, one month after its implementation and half yearly thereafter, with Representatives of the Legal and Finance teams. The Risk Management Guide itself will also be reviewed by Oaktree after one year and thereafter as necessary, at least every 5 years, or earlier if warranted.