

## GUIDANCE ON IDENTIFYING AND MANAGING SHARED RISKS IN FUNDING PARTNERSHIPS BETWEEN ACT GOVERNMENT AND NGOs

### DEFINITION OF RISK

Risk is defined in [ISO 31000 Risk Management](#) as ‘the effect of uncertainty on objectives’. An effect is a deviation from the expected outcome — positive or negative. Risk is often expressed as a combination of the consequences of an event and the associated likelihood of occurrence.<sup>1</sup>

### RISK MANAGEMENT IN HUMAN SERVICES

Human service delivery, particularly with people who experience high levels of deprivation, exclusion, intersectional vulnerability, and complexity of need, is inherently risky.

In recognition of this, NGO compliance with risk management obligations is monitored closely through one or more of the following:

- Independently audited quality improvement programs (eg QIP Quality Improvement Performance Program, Industry specific Accreditation Programs such as Community Legal Centre Accreditation Scheme)
- Formal regulatory processes (eg ACT Human Services Regulator; Work Health and Safety Commission, Australian Health Professionals Regulatory Authority; Commonwealth administered Standards for Disability, Mental Health, Aged Care)
- ACT Government Official Visitor Schemes
- Australian Charities and Not-For-Profit Commission registration and annual reporting
- Insurance terms and conditions

These processes should be recognised in procurement and contract management processes as significant measures of effective risk management by the NGO. Any additional risk management oversight within the funding relationship should complement rather than duplicate monitoring of risk management.

### WHY IS THIS GUIDE NEEDED?

Current procurement and funding management processes assume providers and funders will separately assess and manage risks. Current risk scoping and management tools do not facilitate funders and providers jointly identifying shared risks. This means management plans are developed separately, and controls/treatments are implemented unilaterally. And finally, risk documentation does not have a sufficient focus on potential future risks within long term funding arrangements eg demand growing beyond funding availability which impacts on capacity, access, reputation and escalation of demand for crisis responses.

This approach to risk management is not consistent with the service delivery partnership model for NGOs that the ACT Government has articulated in the following policy documents:

- [Commissioning as 10 year reform - Commissioning \(act.gov.au\)](#)
- [2022-2024 Commissioning Roadmap - Introduction \(act.gov.au\)](#)
- [ACT Government Response to the Counting the Costs report](#)

It is also not consistent with guidance from the Commonwealth Department of Finance and recommendations from Australian National Audit Office (ANAO) on good practice in managing risks in government funding Programs.

### PURPOSE OF THIS GUIDE

This document provides guidance on jointly identifying shared risks that are relevant to human services funding partnerships.

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<sup>1</sup> p 13 [Australian Government Contract Management Guide June 2023 \(finance.gov.au\)](#)

## DEFINITION AND MANAGEMENT OF SHARED RISKS

The Department of Finance has said:

"Shared risks are those risks with no single owner, where more than one entity is exposed to or can significantly influence the risk. These include risks that extend across entities and may involve other jurisdictions.

Although they will differ in scale and nature, shared risks have a number of distinguishing characteristics.

- A shared risk may have no naturally apparent owner. Unlike simpler risks, no one entity may be able to manage the risk on their own.
- Shared risks often require a network of distributed responsibilities and relationships.
- Shared risks can have complex causes, and can be influenced by the actions (or inaction) of a range of participants in different ways.
- Should a shared risk be realised, they can affect different organisations in different ways, and can have complex and widespread impacts."<sup>2</sup>

The ANAO has said<sup>3</sup>:

- Entities should be aware of each other's risk tolerances and approaches, as while risks can be common or shared, the two entities can have different risk tolerances and organisational priorities, so the responses to managing the risks are quite different. For example, a program may be of critical significance for achieving the outcomes of a purchasing/policy entity but be considered of low significance among the broader range of programs of the service delivery entity.
- Audits have highlighted the importance of identifying shared risks and developing an agreed approach to risk management which is documented, setting the framework for how to work collaboratively to manage instances where the tolerances and priorities significantly differ.

## MINDSET AND TOOLS TO SUPPORT EFFECTIVE MANAGEMENT OF SHARED RISKS

- Mutual commitment to reciprocity in the relationship and sharing of power in decision-making
- Open communication between all relevant parties to maintain a holistic and accurate view of the shared risks that materialise
- Transparent reporting to enable quick and dynamic resolution of potential problems
- Agree what forum will be used to share ideas to reduce risks and support co-operation by parties to mitigate and respond effectively to risks
- Agree what mechanism will be used to flag risk being realised and include in the funding instrument what roles each party will have to address impacts/consequences of risks being realised
- Track and manage the issues that arise from changes in the operating environment that impact on service delivery eg government policy priorities, need for services, changes in related parts of the services system
- Agree accountability and understanding surrounding different types of day-to-day interactions that can impact positively or negatively on service delivery eg changes in funding manager personnel, Machinery of Government changes
- Document key dependencies for service continuity and include management of these in documentation of shared risk management
- Agree service delivery adaption measures that can be implemented to address risks, and how these will be resourced

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<sup>2</sup> Sharing Risk across Entities – guidance provided by Commonwealth Department of Finance [Element 6: Shared Risks | Department of Finance](#)

<sup>3</sup> National Audit Office Report on risk sharing in purchaser/provider arrangements [Service Delivery through Other Entities | Australian National Audit Office \(ANAO\)](#)

## IDENTIFYING SHARED RISKS

Identification of shared risks should occur during negotiation of the funding partnership prior to signing the funding instrument.

Shared risks to discuss when negotiating partnerships in delivery of human services have been identified<sup>4</sup> and consultation with ACT human services funders and providers. Key risks include:

- Contract Risks
- Resource Risks
- Risks to Objectives
- Risks in the Operating Environment
- Commitment Risks
- Risks to the Structure of the partnership
- Communication Risks
- Trust/Monitoring Risks
- Risks in responding to Intersectional needs

The templates provided below can be used to:

- Identify relevant shared risks and suitable risk controls and treatments<sup>5</sup>
- Agree how the funder and NGO will ensure co-operation and alignment of shared risk controls and treatments
- Assess the likelihood and document the consequences/impacts of risks using the tools and criteria provided in Attachment A
- Agree responsibilities of the funder and the NGO to manage shared risks

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<sup>4</sup> Full article: [Risks in Public–Private Partnerships: A Systematic Literature Review of Risk Factors, Their Impact and Risk Mitigation Strategies \(tandfonline.com\)](https://www.tandfonline.com)

<sup>5</sup> A control can include any process, policy, practice or other action which modify risk. (ISO Guide 73:2009)

Treatments can involve avoiding the risk, taking the risk to pursue an opportunity, removing the risk source, changing the likelihood, changing the consequence, sharing the risk or retaining the risk by informed decision. (ISO Guide 73:2009).

**CONTRACT MANAGEMENT RISKS**

- The duration of negotiations delays commencement and impacts on transition
- Asymmetric information flow and imperfect information
- Incompleteness - not possible to define a “complete” contract considering all relevant aspects and future incidents
- Design - an absence of flexibility to allow changes, lacking details or poor transparency of contractual contents

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS and TREATMENTS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Transition procedures agreed in contract		
Agreed roles for each party to funding instrument to respond to changing circumstances		
Provision in annual funding allocation to respond to service access and quality gaps		
Annual opportunity to negotiate amendments to contract		
Data collection and feedback on reports includes monitoring unmet demand and changing needs		
Timely responses and resourcing available to respond to evidence of need to adapt service models		
Annual reviews to monitor the risk of changes in costs of delivering services to meet program objectives		
Regular Forum to flag changing circumstances, that will be attended by people with delegated authority to amend the funding instrument		

## RESOURCE RISKS

- Financial - cost over-run due to poor initial cost estimates, lack of finance for future operational and/or necessary capital investment
- Workforce – supply of qualified staff, capability of staff to operate in collaborative arrangement
- Data/reporting - Data frameworks and reporting tools focus on inputs and outputs, not outcomes/impacts
- Different expectations of timeframes for outcome – eg short term vs long term return on investment

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Ensure alignment of government objectives with provider understanding of what level of funding is required to deliver on these objectives		
Regulatory Impact Statements incorporate costs to ACT Government Programs of increases in costs of compliance with Government regulatory requirements		
Agreed approach to changing baseline pricing to account for changes in the operating environment during multi-year funding arrangements.		
Clear and consistent budget reporting.		
Six monthly reporting and timely feedback on these reports regarding timeline for implementation, milestones, and fixed deadlines		
Penalties for both parties for not delivering on contracted obligations		
Incentives for on-time delivery and delivering above minimum requirements		
Partners support each other with workforce recruitment and retention		
Regular and individualized workforce training and shared education offerings for all parties		
All parties agree what assets will be used to deliver services and who will be responsible for management of assets		
Reset baseline funding at least every 4 years to address changes in costs of delivery as a result of three cost drivers: Inflation, Expanded expectations (eg cyber security, regulatory compliance), Population growth		

## RISKS TO OBJECTIVES

- Parties to funding instrument have conflicting goals
- Parties to funding agreement have different approach to achieving shared objective
- Lack of clarity re goals and strategies - uncertainty about the expected outcome, unclear goal setting or unclear policies
- Information and data collection not clear in investment phase and/or unfunded and/or requirements change during funding period
- Objectives of different funded programs are not aligned, co-ordinated or coherent

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Clear presentation of how the contracted services co-contribute to ACT Government policy objectives		
NGO is able to have a single relationship manager for all ACT Gov funding contracts		
Contract states all objectives and what strategy and values will be adopted to deliver on objectives		
Contract specifies how any disputes about contract delivery on objectives will be resolved		
A common vision for the service model, eligibility to access the service and measures to address access barriers is communicated to internal and external stakeholders and maintained by the partners		
Regular forum is convened to review demand for service and enable re-negotiation of service deliverables		
Six monthly review of milestones and circumstances impacting on meeting these milestones		
Tools and templates relevant to procurement, grant administration and commissioning for outcomes are consistently used across all human services		
Increase data literacy and capability in both funder and provider		
Costs of data collection included in Program funding		



## RISKS IN OPERATING ENVIRONMENT

- Political risks
- Demand/revenue risks
- Risks related to a competitive environment
- Commonwealth and ACT Government funding decisions change service ecosystem
- Unpredictable incidents

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS AND TREATMENTS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Allocation of funds in Program to manage costs associated with responding to risks not anticipated in investment phase		
Engagement of and visibility to key political stakeholders of Program objectives and rationale for funding		
Partners are highly experienced in the operating environment		
Commissioning process includes planning for risks and responses to economic, financial, legal and political complexities		
Provider is positively regarded by people and communities who are eligible for the service		
ACT Government collects and publishes information relevant to changes in need for service, demographics and other factor in the operating environment		
Other stakeholders in the human services system respect and trust the provider		
Commissioning cycles are co-ordinated across Programs delivering on related policy objectives		
Cross-jurisdiction and intra-jurisdiction co-ordination to plan, design, deliver, monitor and evaluate changes in service system and how this will impact on access, capacity and outcomes		
Shared governance by NGOs and ACT Gov of ongoing risk identification, control and treatment in Programs		
Guidelines to funding managers in NGO and in ACT Gov to support best practice in scanning for significant changes in input costs		
Regular forum is convened to review operating environment and enable re-negotiation of contract terms as required		




## COMMITMENT RISKS

- Inconsistent expectations of what the partnership will deliver
- Lack of identification with project - partners may have an incentive to only support the partnership when it meets their own objectives before meeting the stated mutual objectives
- Engagement - a lack of motivation, unwillingness to collaborate, reluctance to take risks or to invest
- Negative commentary by stakeholders on the accessibility and effectiveness of the service offering

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS AND TREATMENTS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Partners agree public messaging about objectives and what strategy and values will be adopted to deliver on objectives		
Shared communication by funder and provider about limits on supply of service when people who are eligible for the service are not able to access the service		
Partners agree and determine incentives and rules for collaboration with other services in the service system prior to signing funding instrument		
Protocols agreed prior to signing funding instrument on how risks arising when people eligible for the service are not able to access the service will be mitigated		
Funding Managers from all parties work together collaboratively, especially when circumstances change		
Annual Review of funding agreement includes focus on current issues in managing shared risks		
Either party can initiate a review of shared responsibility for risk management when circumstances have changed significantly		

## RISKS IN STRUCTURE OF THE PARTNERSHIP

- Roles – differences in roles and responsibilities not understood by all parties
- Decision-making - complexity or insufficient advancement of decision-making processes, different strategies or divergent expectations of partners, the lack of a harmonized decision-making process and the inadequate integration of project members in these processes
- Co-ordination – lack of co-ordination, lack of mechanisms to support co-ordination and incompatible management structures
- Unfair distribution of power, reducing value-add of partnership
- Avoidance of responsibility for deadlines or budgets
- Impaired progress towards goals
- Inefficiently used or wasted resources

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS AND TREATMENTS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Democratic and participative approaches used to develop the funding partnership eg open discussions in Discovery, Strategise and Design phases that build mutual trust, Investment phase timing and approach needs to reflect advice provided in consultations with NGOs		
Timelines for commissioning phases are realistic, and 6 months notice given if timing of investment phase of commissioning cycle will change		
Funding Managers in ACT Government and in NGO have an appropriate level of delegation to resolve issues promptly		
Roles and responsibilities of funder and provider are clearly defined across all levels of delivery – to clients, within the sub-sector, across the human services ecosystem		
Deliverables set out in funding agreement are realistic given the outcomes sought, are fully funded, and are monitored and evaluated through an ongoing process of NGO reporting/ACT Government feedback		
Appropriate and timely decision-making mechanisms are available to address issues arising during the funding period		

## COMMUNICATION RISKS

- Interactions - barriers include the lack of communication, the intensity of interaction, the complexity of communication processes, the lack of interpersonal communication, and differences in language, culture or power
- Sharing information - information asymmetry, the handling of confidential information and the quality of information flow
- Timeliness - Especially at the beginning, before the contracts are signed and the working phase starts, partners might not focus sufficiently on communication

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS AND TREATMENTS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Reporting requirements included in RFQ/Grant Guidelines so NGO can accurately cost compliance with these requirements		
Regular meetings - more at beginning, less frequent once well established		
Formally agreed information exchange or information sharing between partners is guided by a consistently applied data governance framework and documented in the funding instrument		
Adequate skills in each partner to understand and promote their policy objectives and expectations regarding outcomes		
Consistent definition and shared language re sharing risks		
Consistent tools to document risk management		
Consistent capability development in data governance, sovereignty, collection, analysis and interpretation provided to funders, providers and service user groups		

## TRUST/MONITORING RISKS

- Monitoring - enough monitoring capacity to ensure the right quality output
- Building Trust - sufficient trust without leading to neglect of monitoring responsibilities
- Transparency - to enable exchange of sensitive information to identify risks and emerging problems

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS AND TREATMENTS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Agreed approach to collecting unmet needs data included in RFQ/Grant Guidelines and funded by Program		
Sharing of information to build mutual understanding of policy objectives, full costs of service delivery and expected outcomes from funding partnership		
Program funding includes allocation for full recovery of ICT costs that are required to meet reporting requirements		
Opportunities for formal and informal meetings to strengthen partnership		
Ongoing opportunities for practical collaboration to achieve policy objectives and expected outcomes		
Adoption of strengths-based approach in addressing issues arising in delivery of service		

## INTERSECTIONAL RISKS

- Unconscious Bias
- Discrimination (racism, sexism, ablism, ageism, gender normism, homophobia)
- Re-traumatising models and practices
- Insufficient visibility of intersectional needs and costs of meeting needs for higher risk individuals/groups
- Lack of visibility of barriers to access because of marginalisation and masking

Likelihood and Impact/Consequence rating before controls and treatments in place =

<b>RISK CONTROLS AND TREATMENTS (examples provided, choose what is relevant and add your own)</b>	<b>RESPONSIBLE PERSON (allocate roles to implement, monitor, report)</b>	<b>AGREED LEVEL OF RISK (after controls and treatments applied)</b>
Recognising gaps in research and evidence base and not applying evidence hierarchy inappropriately when assessing service proposals (during procurement or grant processes)		
Preferring community-led design and delivery models		
Cultural Competency and pre-existing trusted relationships in ACT Wellbeing Framework priority population groups are given preference in procurement and grant criteria and when assessing value for money		
Consistent capability development in identifying, responding to and reporting on intersectional risks		

Guidance for assessing consequence/impacts of risk

Categories of Risk, Controls and Treatments	Likelihood of Risk	Consequences and level of Impact					Reassess Likelihood and Level of Risk after Controls and Treatments applied. Provide comments to explain rationale for re-assessment and adequacy of Controls/Treatments
	<i>Rating:</i> Unlikely = 1 Rare = 2 Possible = 3 Likely = 4	<i>Insignificant = 1</i>	<i>Minor = 2</i>	<i>Moderate = 3</i>	<i>Major = 4</i>	<i>Catastrophic = 5</i>	Likelihood: Unlikely/Rare/Possible/Likely Level: Insignificant/Minor/Moderate/Major/Catastrophic Calculation of risk: Likelihood x Level
<b>Contract Management Risks</b> eg change in contract manager during funding period	Calculation of risk: Likelihood x Level	Complete clarity and agreement between both parties on the operational implementation of these objectives	Minor differences between parties of the operational implementation of the objectives of funding	Moderate differences between parties of the operational implementation of the objectives of funding	Substantial differences between parties on the operational implementation of the objectives of funding	Parties unable to agree operational implementation of the objectives of funding	Calculation of Risk: Likelihood x Level = Comments:
eg disruption to delivery of another service critical to referral in or out of the funded service	Calculation of risk: Likelihood x Level	No impact on service delivery and strategic objectives.	Minor impact on service delivery and strategic objectives. Non-essential or subsidiary services experience minor disruptions.	Moderate impact on service delivery and strategic objectives. A number of service delivery objectives not met - access, inclusion, quality, safety, continuity - and/or minor or subsidiary services impaired.	Significant impact on service delivery and strategic objectives. Key service delivery impaired - access, inclusion, quality, safety, continuity. Unable to deliver necessary services to eligible client groups for limited time period (length of time to be specified depending on type of service). Minor or subsidiary services unable to be provided for a limited time period.	Strategic business outcomes processes fail and service delivery objectives not met. Unable to deliver necessary services to eligible client groups for significant time period (length of time to be specified depending on type of service).	Calculation of Risk: Likelihood x Level = Comments:

Categories of Risk, Controls and Treatments	Likelihood of Risk	Consequences and level of Impact					Reassess Likelihood and Level of Risk after Controls and Treatments applied. Provide comments to explain rationale for re-assessment and adequacy of Controls/Treatments
		Insignificant = 1	Minor = 2	Moderate = 3	Major = 4	Catastrophic = 5	
	Rating: Unlikely = 1 Rare = 2 Possible = 3 Likely = 4						Likelihood: Unlikely/Rare/Possible/Likely Level: Insignificant/Minor/Moderate/Major/Catastrophic Calculation of risk: Likelihood x Level
<b>Resource Risks</b> eg Changes in costs of delivery during funding period	Calculation of risk: Likelihood x Level	Costs increase during funding period 1% above agreed Budget	Costs increase during funding period 2.5% above agreed Budget	Costs increase during funding period >5% above agreed Budget	Costs increase during funding period >10% above agreed Budget	Costs increase during funding period >15% above agreed Budget	Calculation of Risk: Likelihood x Level = Comments:
Eg loss of assets	Calculation of risk: Likelihood x Level	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	Calculation of Risk: Likelihood x Level = Comments:
eg change in ICT infrastructure requirements	Calculation of risk: Likelihood x Level	All costs of technology infrastructure and upgrades required for service delivery included in funding provided	Funding can be used to cover costs of technology infrastructure	Funding can be used to cover some costs of technology infrastructure, but no upgrades included in funding	Funding to cover increases in costs of technology infrastructure can be sought from ACT Gov Community Sector Infrastructure grant rounds	No allocation for technology costs in funding agreement, and no funding available for technology upgrades	Calculation of Risk: Likelihood x Level = Comments:
<b>Risk to Objectives</b> eg Unable to provide service to eligible people/groups	Calculation of risk: Likelihood x Level	Limited effect and low significance for supply of service. No limits on growth of service to meet demand from eligible people/groups	Transient, minor effects on supply of service. Some capacity to grow services to meet demand from eligible people/groups	Moderate, short-term impact on service supply - availability, continuity, safety measures required to continue operations. Limits specified in service funding agreement on growth of supply over time.	Significant, medium-term impact on service supply - availability, continuity, safety measures required to continue operations. Limited gaps in capacity of service to meet growth in demand from eligible people/groups are known at time of service commencing.	Long term and potentially catastrophic impact on service supply - availability, continuity, safety measures required to continue operations. Substantial gaps in capacity of service to meet current demand for service from eligible people/groups are known at time of service commencing.	Calculation of Risk: Likelihood x Level = Comments:
<b>Risks in Operating Environment</b> eg significant increase in Wellbeing Framework priority population group numbers or significant change in geographic spread of priority population group	Calculation of risk: Likelihood x Level	No impact on service delivery and strategic objectives.	Minor impact on service delivery and strategic objectives. Non-essential or subsidiary services experience minor disruptions.	Moderate impact on service delivery and strategic objectives. A number of service delivery objectives not met - access, inclusion, quality, safety, continuity - and/or minor or subsidiary services impaired.	Significant impact on service delivery and strategic objectives. Key service delivery impaired - access, inclusion, quality, safety, continuity. Unable to deliver necessary services to eligible client groups for limited time period (length of time to be specified depending on type of service). Minor or subsidiary services unable to be provided for a limited time period.	Strategic business outcomes processes fail and service delivery objectives not met. Unable to deliver necessary services to eligible client groups for significant time period (length of time to be specified depending on type of service).	Calculation of Risk: Likelihood x Level = Comments:



Categories of Risk, Controls and Treatments	Likelihood of Risk	Consequences and level of Impact					Reassess Likelihood and Level of Risk after Controls and Treatments applied. Provide comments to explain rationale for re-assessment and adequacy of Controls/Treatments
		Insignificant = 1	Minor = 2	Moderate = 3	Major = 4	Catastrophic = 5	
	Rating: Unlikely = 1 Rare = 2 Possible = 3 Likely = 4						Likelihood: Unlikely/Rare/Possible/Likely Level: Insignificant/Minor/Moderate/Major/Catastrophic Calculation of risk: Likelihood x Level
<b>Risks in Operating Environment</b> (continued) eg Funding Agreement Administration compromised	Calculation of risk: Likelihood x Level	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. Impact causes inconvenience but not client welfare threatening or compromising continuity of service delivery (eg retention of workforce, renewal of leases held by funded organisation)	Fundign Instrument management not consistent with Government's agenda or stated policy objectives. Trends show service is degraded. Service provider at risk of not complying with legislated or regulated responsibilities because of delay or change in business process/systems (eg financial, workforce, service delivery).	Critical system failure, bad policy advice or ongoing non-compliance. Service continuity, quality and/or safety significantly impacted. Service provider at risk of trading insolvent or ceasing operations because of delay/failure of business process/systems.	Calculation of Risk: Likelihood x Level = Comments:
<b>Commitment Risks</b> eg Political or Community support for policy/ program is withdrawn	Calculation of risk: Likelihood x Level	Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny requested by funder, regulator, consumer or carer rights/advocacy body, external committees or ACT Auditor General's Office, coronial inquest, etc.	Intense public, political and media scrutiny. E.G.: front page headlines, TV, Formal inquiry	Loss of support from service user group and/or funder for continued delivery of funded services by provider	Calculation of Risk: Likelihood x Level = Comments:
<b>Risks to the Structure of the Partnership</b> eg Funding Manager does not have delegation to promptly resolve issues arising	Calculation of risk: Likelihood x Level	Limited effect to something of low significance	Transient, minor effects	Moderate, short-term harm to the partnership	Significant, medium-term harm to the partnership	Long term harm to the partnership	Calculation of Risk: Likelihood x Level = Comments:

Categories of Risk, Controls and Treatments	Likelihood of Risk	Consequences and level of Impact					Reassess Likelihood and Level of Risk after Controls and Treatments applied. Provide comments to explain rationale for re-assessment and adequacy of Controls/Treatments
	<i>Rating:</i> Unlikely = 1 Rare = 2 Possible = 3 Likely = 4	<i>Insignificant = 1</i>	<i>Minor = 2</i>	<i>Moderate = 3</i>	<i>Major = 4</i>	<i>Catastrophic = 5</i>	<i>Likelihood: Unlikely/Rare/Possible/Likely</i> <i>Level:</i> <i>Insignificant/Minor/Moderate/Major/Catastrophic</i> <i>Calculation of risk: Likelihood x Level</i>
<b>Communication Risks</b> eg unable to access information to meet reporting requirements	Calculation of risk: Likelihood x Level	Interruption to electronic records and data access less than ½ day.	Interruption to electronic records and data access ½ to 1 day. Breach of data security, no personal or financial data breached	Significant interruption (but not permanent loss) to data and electronic records access, lasting 1 day to 1 week. Breach of data security, no personal or financial data breached	Loss of low risk electronic records and/or data, or loss of access for more than one week. Breach of data security, personal and/or financial data security compromised	Complete, permanent loss of high risk electronic records and data. Breach of data security, personal data and/or financial data accessed by non-authorized party	Calculation of Risk: Likelihood x Level = Comments:
<b>Trust/Monitoring Risks</b> eg Non Compliance with Regulations	Calculation of risk: Likelihood x Level	Non-compliance with workplace or funding agreement policy and/or standard operating procedures which are not legislated or regulated	Numerous instances of non-compliance with workplace or funding agreement policy and standard operating procedures that are not legislated or regulated	Non-compliance with workplace or funding agreement policy and standard operating procedures which require self reporting to the appropriate regulator and immediate rectification.	Restriction of business operations by funder and/or regulator due to non-compliance with relevant guidelines and / or significant non-compliance with policy and procedures which threaten service delivery.	Operations shut down by funder/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.	Calculation of Risk: Likelihood x Level = Comments:
eg Damage to reputation of any party to the funding partnership	Calculation of risk: Likelihood x Level	Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny requested by funder, regulator, consumer or carer rights/advocacy body, external committees or ACT Auditor General's Office, coronial inquest, etc.	Intense public, political and media scrutiny. E.G.: front page headlines, TV, Formal inquiry	Loss of support from service user group and/or funder for continued delivery of funded services by provider	Calculation of Risk: Likelihood x Level = Comments:

Categories of Risk, Controls and Treatments	Likelihood of Risk	Consequences and level of Impact (add material if all relevant issues for specific service delivery are not outlined)					Reassess Likelihood and Level of Risk after Controls and Treatments applied. Provide comments to explain rationale for re-assessment and adequacy of Controls/Treatments
	<i>Rating:</i> Unlikely = 1 Rare = 2 Possible = 3 Likely = 4	<i>Insignificant = 1</i>	<i>Minor = 2</i>	<i>Moderate = 3</i>	<i>Major = 4</i>	<i>Catastrophic = 5</i>	<i>Likelihood: Unlikely/Rare/Possible/Likely</i> <i>Level:</i> <i>Insignificant/Minor/Moderate/Major/Catastrophic</i> <i>Calculation of risk: Likelihood x Level</i>
<b>Intersectional Risks</b> eg allegation of discriminatory practices by a party to the funding partnership	Calculation of risk: Likelihood x Level	Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny requested by funder, regulator, consumer or carer rights/advocacy body, external committees or ACT Auditor General's Office, coronial inquest, etc.	Intense public, political and media scrutiny. E.G.: front page headlines, TV, Formal inquiry	Loss of support from service user group and/or funder for continued delivery of funded services by provider	Calculation of Risk: Likelihood x Level = Comments:
eg lack of cultural competency in any party to the funding partnership	Calculation of risk: Likelihood x Level	Agreement parties have more than 5 years experience working with cultural group.	Concerns raised by stakeholders about cultural competence in a party to the agreement. Service provider has less than 5 years experience working with cultural group.	Service provider or funder has less than 2 years experience working with this cultural group. Complaints made to regulator, funder, Human Rights Commission or other authority about breach of cultural safety.	Service Provider or funder has not worked with cultural group prior to this funding contract. Substantiated complaint regarding cultural competence and/or safety of service delivery.	Substantial evidence of safety and wellbeing risk to cultural group when accessing this service. Loss of support from cultural group and/or funder for continued delivery of funded services	Calculation of Risk: Likelihood x Level = Comments: