Risk Management and Controls Model for Disability Services

National Disability Services

Department of Human Services

Victorian Managed Insurance Agency

About National Disability Services

NDS is the national peak body for disability services. Its membership includes more than 650 not-for-profit organisations that collectively operate several thousand services for Australians with a disability.

NDS provides a wide range of advice and information to the disability services sector and governments regarding all significant disability matters.

National Disability Services Victoria  
Level 10, 369 Royal Parade, Parkville VIC 3052 Australia  
P: (03) 8341 4300 l W: [www.nds.org.au](http://www.nds.org.au)

Acknowledgement

National Disability Services would like to thank project consultant Enhance Solutions ([www.enhancesolutions.com.au](http://www.enhancesolutions.com.au)) and Victorian disability service providers for their participation and generosity throughout the project.

National Disability Services wishes to thank project partners: Karyn Spencer, Manager, Systemic Improvement Unit, the Department of Human Services (DHS); Karen Stewart, Quality and Sector Development, DHS; Deborah Stenning, Client Relationship Manager, the Victorian Managed Insurance Authority (VMIA); Patrick Ow, Risk Management Advisor, VMIA; and Rohan Braddy, CEO, Mambourin Enterprises.

Funding

VMIA and the DHS provided project funding.

Disclaimer

The information provided in this document is intended for general use only. It is not a definitive guide to the law and best practice, does not constitute formal advice, and does not take into consideration the particular circumstances and needs of your organisation.

Every effort has been made to ensure the accuracy and completeness of this document at the date of publication. NDS cannot be held responsible and extends no warranties as to the suitability of the information in this document for any particular purpose and for actions taken by third parties.

© National Disability Services 2010, 2011

This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

ISBN 978-0-9805081-2-3

Published: tbc  
Review date: December 2012

Contents

Introduction 4

Why Risk Management 4

How this Model Works 5

Supporting Materials 7

How to Use the Model 8

**Step 1:** Use the Quick Self-Assessment to understand your   
organisation’s context 9

Quick Self-Assessment 9

**Step 2:** Complete self-assessment Checklists to identify your risk   
controls gaps 13

**Step 3:** Complete Key Element Summary Table for overview of   
risk management level 15

Key Element Summary Table 15

Formulate goals to address gaps in risk management 21

**Step 4:** Develop a Risk Matrix for your organisation 21

**Step 5:** Use the risk matrix to evaluate and prioritise key risks 23

**Step 6:** Develop a Risk Improvement Plan 23

**Step 7:** Ongoing mentoring 24

Abbreviations 27

Definitions 27

Leadership 29

Strategy and Planning 35

Financial Management 41

Innovation, Quality and Improvement 53

People 64

Client and Market Focus 77

Introduction

This resource is one of a series produced by National Disability Services Victoria to strengthen management capacity in the disability sector. It was developed as a collaborative effort between National Disability Services Victoria, the Victorian Managed Insurance Authority and the Department of Human Services.

The resource was developed in the context of the Victorian State Disability Plan 2001–2012, which laid the foundation for significant changes for the disability sector, with a shift to empower people living with a disability to make their own choices and direct their future supports. Community Service Organisations delivering disability services are responding to an increasingly competitive environment by focusing on the customer, improving the quality of services, responding to individual needs and developing more sophisticated governance and management practices. Effective Risk Management is an important part of this strategic response and will contribute to long-term sustainability.

Why Risk Management

Risk Management is the activities undertaken by an organisation to ensure that it understands the risks that it faces and makes informed decisions in managing these risks. An organisation which undertakes a strong set of risk control activities will:

reduce the likelihood and/or consequences of potential adverse events

maximise the results of positive events

provide decision-makers with information to assess risks in their business operations

ensure that the application of Risk Management practices adds value to the organisation

ensure that the organisation implements strategies that are cost effective.

All of this means that the organisation will increase the likelihood of success in its business operations.

The Risk Management and Controls Model is designed in accordance with the ISO 3100:2009 Risk Management Standard. For more information about the Standard, see [Standards Australia](http://www.standards.org.au).

How This Model Works

The Risk Management and Controls Model is a practical self-assessment tool that provides a framework to support planning of risk control activities for small, medium and large Community Service Organisations. The model analyses risks and risk control activities across six key elements, informed by the Australian Business Excellence Framework (ABEF). Each element covers a series of sub-topics as follows:

Leadership

Governance Framework

Skills of Board

Audit & Compliance

Managerial Leadership

Strategy and Planning

Strategic Planning

Risk Management

Evaluating Performance Against KPIs

Financial Management

Budgeting

Auditing and Reporting

Asset Management and Investment

Systems and Processes

Funding, Fundraising

Preparedness for Individualised Funding

Cash and Cash Flow Management

Innovation, Quality and Improvement

Policies and Procedures

Service Delivery

Quality

Asset Management

Information Management

People

Recruitment and Retention

Learning and Development

Performance Management

Volunteer Management

Workplace Health and Safety

Communications

Contractor Management

Client and Market Focus

Client Satisfaction and Communications

Client Service Delivery

Managing Behaviours of Concern

Marketing and Reputation

Key Stakeholder Management

Designed as a practical self-assessment tool, the model guides organisations through a calculation process to identify gaps in risk management activity in each of the six elements. The model is an internal tool, allowing an organisation to decide on the level of risk management activity to undertake in each area, based on their organisational and governance requirements and resources. A list of risks provided at the end of each element is intended to extend the thinking and highlight possible emerging risks from external factors such as regulatory and/or technological changes.

The disability sector is diverse, and hence a ‘one size fits all’ approach is not possible. This model recognises that different organisations may need differing levels of risk control activity. It has been designed as a ‘maturity model’ with Basic, Intermediate and Advanced levels of risk control activity described for each element.

Basic

Processes designed to keep a minimum level of robustness to the organisation

Processes (typically) driven in an ad-hoc manner, uncontrolled and used on an as needs basis

Process performance likely to be variable (inconsistent) and is heavily dependent on the efforts of relatively few people or small groups

Lack of formality

Meets minimum regulatory requirements

Intermediate

Processes designed to ensure robustness and some efficiency to the organisation

Some processes are repeatable, possibly with consistent results

Process discipline is beginning to be rigorous and where it exists it may help to ensure that existing processes are maintained during times of stress

Processes and their outputs are visible to management at defined points, but consistency needs to be improved

Advanced

Management can effectively control the current situation and adjust and adapt the process to particular situations/projects

Using quantitative/statistical techniques, process performance is measured and monitored, generally predictable and controllable, and aligned to objectives

The appropriate level will vary not only between organisations, but also between elements within one organisation. Your organisation needs to decide what level is appropriate for a given risk category. While it is a mistake to under-invest in risk management, it is also possible to over-invest. For example, a small five-person operation would not need to invest in 360-degree leadership surveys.

Risk Responsibilities

To make risk management work in your organisation, everybody must be involved. However, each level of the organisation has specific roles to play, which may be as depicted below.

Board and Executive Level – Corporate Governance, visioning, giving direction, leadership, strategic risk improvement planning – Setting and monitoring the scene.

Management Team – Team involvement, leadership, risk improvement planning, day-to-day risk awareness and communication. – Management leading risk aware behaviours.

Employees – Risk identification and report, making risk based decisions and following risk controls – Risk aware decision making in all jobs.

Supporting Materials

This model comes with a number of practical step-by-step resources that have been developed to support implementation of the ‘Basic’ standard in CSOs requiring less sophisticated risk controls. These are not intended to be comprehensive, but focus on areas of greatest need as identified by NDS members.

These resources can be found on the [NDS website](https://www.nds.org.au/):

Leadership – Governance Structure and Charter

Strategy and Planning – Strategic Plan

Innovations, Quality and Improvement – Client Services Charter

People – WHS Management System Audit

People – WHS Home Checklist

Client and Market Focus – Marketing Plan

Risk Management for Support Workers (forthcoming 2012).

A wide range of resources and learning opportunities are available to assist community service organisations to undertake effective risk management:

[NDS](https://www.nds.org.au/)

[VMIA](https://www.vmia.vic.gov.au/)

[DHHS](https://dhhs.vic.gov.au/)

[Funded Agency Channel](http://www.dhs.vic.gov.au/funded-agency-channel)

Other resources available to organisations include training, risk consulting partners, mentoring with like organisations, industry bodies and insurance companies, financial institutions etc.

Organisations must still recognise and implement external requirement such as:

Due diligence requirements

DHS Standards

AS/NZ ISO 31000-2009

Victorian State Disability Plan 2002–2012

Model Work Health and Safety (WHS) Act

How to use the Model

The model is designed around a process, which is detailed below:

1. Use the Quick Self-Assessment to understand your organisation’s context
2. Complete self-assessment Checklists to identify your risk controls gaps
3. Complete Key Element Summary Table for overview of risk management level
4. Formulate goals to address gaps in risk management
5. Develop a Risk Matrix for your organisation
6. Use the risk matrix to evaluate and prioritise key risks
7. Develop a Risk Improvement Plan
8. Ongoing monitoring

The process is not difficult, but it does take time and attention. Addressing the gaps identified will be an ongoing process, and it may take several years to achieve the goals set.

Step 1: Use the Quick Self-Assessment to understand your organisation’s context

Before you embark on the detailed self-assessment checklists, it is helpful to get an overview of where your organisation currently stands in relation to Risk Management. Scan through each element of the following table to see whether you are currently managing that element at a Basic, Intermediate or Advanced level. This may immediately identify areas of priority. It should also give you an idea of what to expect when you complete the full assessment – where you can hope to score well, and where you are likely to find gaps. You may be at different levels (Basic, Intermediate, Advanced) for different elements or sub-elements of the model.

The quick self-assessment could be used as a discussion tool for a board or management meeting before starting the checklists.

Quick Self-Assessment

Basic

Leadership

Informal governance framework

Board understands roles and responsibilities

Annual financial reporting and external financial audit, as required by legislation

Communicate Vision and strategy

Strategy & Planning

Annual business plan

Risk management processes designed

Progress against organisational goals measured

Quarterly review against annual Business Plan and outcomes,

Finance

Annual budgeting process

Annual financial reporting and auditing

Asset register

Chart of accounts

Fundraising conducted on ad-hoc basis

Billing and collection process

People

Recruitment process for qualified/ skilled/ competent people

Learning and development strategy

Informal performance appraisal system

WHS management systems in place demonstrating that it is improving on its work practices and moving towards a risk management system that has risk identification, assessment and control as the basis for injury prevention

Process for staff complaints/feedback

Client & Market Focus

Clear and accessible client interfaces and feedback mechanisms

Knowledge of products and services offered

Marketing/promotional materials accurately describe products and services

Some consultation with clients, parents and carers with respect to service provision

Innovation, Quality & Improvement

Procedure to manager Complaints/feedback in place

Information on service and costing provided to client in an accessible format

Quality management plan for short-term (1-year outlook)

Transparent information and reporting systems

Asset register in place

Intermediate

Leadership

Formal governance framework in place

Board approved delegations policy

Board understands roles and responsibilities and provides strategic direction

Board takes measures to fill gaps in skills/expertise

Annual financial reporting and external financial audit, as required by legislation

Audit committee

Builds strong teams and leads by example

Strategy & Planning

Three-year Strategic Plan with clear goals and direction

Risk management processes designed and operating within the organisation

Evaluation process in place to measure organisational progress against goals and KPIs

Quarterly review against annual Business Plan and outcomes – medium-term Strategic Plan review at end of each year

Finance

Medium-term budgeting process (operational and capital) with 3–5-year outlook

Annual financial reporting and auditing with effective internal/external audit function

Asset register and facilities management program

Standard chart of accounts

Fundraising conducted on regular basis

Billing and collection system

People

Recruitment and retention strategy

Learning and development strategy

Formal performance appraisal system

WHS management systems in place demonstrating that it is moving towards a safety culture that demonstrates prevention as the primary method of health and safety management

Process for staff complaints/feedback incorporates an annual organisational health survey with results reported back to staff

Client & Market Focus

Clear and accessible client interfaces and feedback mechanisms with client surveys conducted

Good knowledge of product and services offered

Annual Marketing Plan includes provision of clear, easy to read marketing/ promotional/materials

Regular contact with clients, parents and carers with respect to service provision

Innovation, Quality & Improvement

Procedure to manage complaints/feedback documented and measured

Information on service and costing provided to client in an accessible format

Quality management plan for medium-term (3-year outlook)

Transparent information and reporting systems and effective record management system

Asset control register

Advanced+

Leadership

Governance framework reviewed regularly

Board approved delegations of authority

Board understands roles and responsibilities and provides strategic direction and performance targets

Board members have the necessary skills and knowledge to ensure compliance including financial, operational, legal, risk and governance issues

Annual financial reporting and external financial audit, as required by legislation

Audit and risk committee in place

Leads the culture of the organisation

Strategy & Planning

Five-year Strategic Plan with clear goals and direction

Comprehensive risk management framework is operating successfully within the organisation

Evaluation process to measure organisational progress against goals and KPIs

Monthly reporting and review against annual Business Plan and outcomes with in-depth variance analysis, including:

Variance against financial and capital plans and budgets

Variance against Strategic Plans and objectives.

Finance

Long-term budgeting process (operational and capital) with 5–10-year outlook

Annual financial reporting and auditing with effective internal/external audit function and risk-based approach to audit planning

Asset register and facilities management program which are updated regularly

Standard chart of accounts and integrated accounting/financial/ CRM system

Fundraising conducted on regular basis with annual calendar of events planned

Billing and collection system

People

Recruitment and retention strategy includes career pathways and succession planning (including for Board members)

Learning and development strategy fosters strong learning culture, including leadership development and mentoring

Formal performance management and appraisal system linked to the organisations’ Mission

WHS management system includes the identification, management and monitoring of WHS risks demonstrating that it has integrated an injury prevention culture into normal business practices and is regularly reviewing its systems through the due diligence process

Process for staff complaints/feedback incorporates an annual organisational health survey with results reported back to staff

Client & Market Focus

Clear and accessible client interfaces and feedback mechanisms with client surveys conducted which feed continuous quality improvements within the organisation

Very good knowledge of product and services offered

Medium-term Marketing Plan includes provision of clear, easy to read marketing/promotional/sales materials

Regular contact with clients, parents and carers with respect to service provision and changes to the sector

Innovation, Quality & Improvement

Complaints management system in place

Information on service and costing provided to client in an accessible format

Quality management framework

Transparent information and reporting systems and integrated records management system

Asset management system in place

Step 2: Complete self-assessment Checklists to identify your risk controls gaps

The self-assessment checklists begin on page [25](#SelfAssessmentChecklist) of this document. They can also be filled out in Microsoft Excel, with automatic calculation and charts. The Excel file can be downloaded from the [NDS website](https://www.nds.org.au/).

For a detailed understanding of your risk management activities, complete all levels for each element of the checklist. Alternatively, based on the findings of the Quick Self-Assessment, you may choose to complete only the most relevant level (Basic, Intermediate or Advanced) – but note that reviewing higher levels may assist in setting future goals.

For each item in the ‘Core outcomes’ column, score ‘1’ if this process/practice exists, ‘0’ if it does not, and ‘–’ if it is not applicable. For example:

Governance Framework

Basic

Board Charter - 1

Code of Conduct (including separation of management and governance roles) - 0

Governance framework (informal) - 1

Delegations Policy (limits of authority) - 0

Board meeting procedures - 1

Total points:

% Basic:

Calculate the total percentage for each maturity level (unless you have decided to focus only on Basic).   
Calculation method: total points ÷ total questions applicable to your organisation x 100. For example:

Governance Framework

Basic

Board Charter - 1

Code of Conduct (including separation of management and governance roles) - 0

Governance framework (informal) - 1

Delegations Policy (limits of authority) - 0

Board meeting procedures - 1

Total points: 3

% Basic: 60

Intermediate

Board Charter - 1

Code of Conduct (including separation of management and governance roles) - 0

Governance framework (informal) - 0

Delegations Policy (limits of authority) - 0

Board meeting procedures - 1

Total points: 2

% Basic: 33

Please note: If you have a ‘–’ in the ‘Score’ column to indicate ‘not applicable’, your calculation will change. In the example below there are 5 components in the Governance Framework. If one of these components is not applicable, then the score will be calculated out of 4 instead of 5.

Governance Framework

Basic

Board Charter - 1

Code of Conduct (including separation of management and governance roles) - 1

Governance framework (informal) - 1

Delegations Policy (limits of authority) - 0

Board meeting procedures – not applicable to organisation, therefore removed from the calculation - –

Total points: 3

% Basic: 75

Step 3: Complete Key Element Summary for overview of risk management level

When you have calculated the percentages for ‘Basic’, ‘Intermediate’ and ‘Advanced’ for each element, enter the numbers into The ‘Key Element Summary’ as shown I the example below. Please note that if you prefer using a table to complete the summary please refer to the Word Document. Please note that if you are using the Excel file, this table will be completed automatically.

This will give you an overview of the level of maturity at which your organisation is functioning across the different elements.

For ongoing reporting and monitoring of your risks, there is the opportunity to show whether the current level is accepted or not and then track action status where improvements are planned.

Key Element Summary Example

%: use a number between 0% to 100%

Action status: ☺ on track 😐 problems/delays ☹ off track

Example only

Basic – 80%

Intermediate – 62%

Advanced – 45%

Accept – N

Action Status – Problems / Delays

Key Element Summary

Leadership

Governance Framework

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Skills of Board

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Audit and Compliance

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Managerial Leadership

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Strategy and Planning

Strategic Planning

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Risk Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Evaluating Performance against KPIs

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Financial Management

Budgeting

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Auditing and Reporting

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Asset Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Systems and Processes

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Funding, Fundraising and Investment

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Preparedness for Individualised Funding

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Cash and Cash Flow Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Innovation, Quality & Improvement

Policies and Procedures

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Service Delivery

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Quality

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Information Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Asset Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

People

Recruitment and Retention

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Learning and Development

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Performance Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Volunteer Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Workplace Health and Safety

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Communications

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Contractor Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Client & Market Focus

Client Satisfaction and Communications

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Client Service Delivery

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Managing Behaviours of Concern

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Marketing and reputation

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Key Stakeholder Management

Basic –

Intermediate –

Advanced –

Accept –

Action Status –

Formulate goals to address gaps in risk management

Once the Key Element Summary Table is complete, you can formulate goals for the level your organisation will progress to in the future. For example, if your organisation scored 50% ‘Intermediate’ for the ‘Leadership’ element, you might determine that the organisation is capable of reaching 70% ‘Intermediate’ within a certain period of time. To progress to 70% ‘Intermediate’ risk management, some of the gaps in the ‘Leadership’ section will need to be addressed. These gaps will be the processes/practices that received a score of ‘0’ in the ‘Intermediate’ sections of the ‘Leadership’ element.

You can now start to fill in the [Risk Improvement Plan](#RIP) below, by listing the gaps in the ‘Gaps identified/Risk’ column.

At the end of each key element is a section titled ‘Risks that threaten objectives’. This identifies a set of risks to which your organisation may currently be exposed if gaps exist. Go through this list and add any risks that are significant to your organisation to the ‘Gaps identified/Risk’ column.

For each item in the ‘Gaps identified/Risk’ column, list the controls that are currently in place for that risk.

Step 4: Develop a Risk Matrix for your organisation

Your organisation may already have a risk matrix. If so, use that one and proceed to Step 6.

A risk matrix (or risk calculation table) is a tool that can be used to assess the significance of risks, taking into account your organisation’s circumstances and its tolerance for risk. A risk averse organisation may classify a ‘Likely’ risk with ‘Major’ consequences as an ‘A’, or top priority. Another organisation may feel they only have capacity to address the gravest risks, and would classify it a ‘B’. It is useful to think through a few examples when drawing up the Matrix, e.g. if the likelihood of incurring bad debt is ‘likely’ and the consequence to your organisation would be ‘major’, then how would you rate that risk? If you would prefer to fill in a Risk Matrix table, please refer to the Word Document.

Risk Matrix – Sample

Likelihood

Almost Certain

Insignificant - B

Minor - B

Moderate - B

Major - A

Extreme – A

Likely

Insignificant - B

Minor - B

Moderate - B

Major - B

Extreme – A

Possible

Insignificant - C

Minor - B

Moderate - B

Major - B

Extreme – B

Unlikely

Insignificant - C

Minor - C

Moderate - B

Major - B

Extreme – B

Rare

Insignificant - C

Minor - C

Moderate - C

Major - B

Extreme – B

Risk Matrix – Template

Likelihood

Almost Certain

Insignificant -

Minor -

Moderate -

Major -

Extreme –

Likely

Insignificant -

Minor -

Moderate -

Major -

Extreme –

Possible

Insignificant -

Minor -

Moderate -

Major -

Extreme –

Unlikely

Insignificant -

Minor -

Moderate -

Major -

Extreme –

Rare

Insignificant -

Minor -

Moderate -

Major -

Extreme –

Step 5: Use the risk matrix to evaluate and prioritise key risks

Go through the ‘Gaps Identified/Risk’ column in the Risk Improvement Plan, and assess each item as ‘A’, ‘B’ or ‘C’ according to your organisation’s risk matrix. Enter the grading under the ‘Priority (A, B, C)’ column.

For each item, you will need to assess the consequence to your organisation due to the risk or due to the gap in risk control identified, and the likelihood of that consequence occurring, and then allocate the grading from the corresponding square of your matrix. For example, based on the sample risk matrix above, if the risk of loss of funding is Possible, and consequences Extreme, that would be rated a ‘B’

This will give you an overview of your risk priorities, and you can then make decisions about which require action (‘Acceptable Yes/No’).

Step 6: Develop a Risk Improvement Plan

For the high priority risks, action plans need to be put in place to provide adequate controls. (NB: If you currently have a risk register, or capture improvement tasks in a quality system then you can incorporate the improvement actions in there.)

The organisation needs to determine:

what actions it needs to take to address any risks that are not acceptable;

the person responsible for the action; and

the timeframe in which the action is to take place.

This then becomes the organisation’s Risk Improvement Plan.

Step 7: Ongoing monitoring

The Risk Improvement Plan requires ongoing monitoring. The ‘Action Status’ area of the Key Element Summary can also be used as an ongoing status report for review by the organisation.

Ongoing monitoring should include three activities:

Ensure Risk Improvement Actions are being conducted as planned

Re-rate the risks after the improvement actions have been implemented to determine the residual risk level, and determine if the risk is acceptable with the extra controls implemented.

Complete review of risks and gaps (probably on an annual basis.)

If you would prefer to fill in a Risk Improvement Plan table, please refer to the Word Document.

Risk Improvement Plan Sample

Asses and Evaluate

Item No.- e.g.

Gaps identified/Risk - Lack of independent representative on internal audit committee

Priority (A,B,C) - A

Current controls - NIL

Acceptable? (Yes/No) -No

Action

Required actions - Appoint independent representative to internal audit committee

Who (person responsible for managing the risk) - CEO

When (time by which risk control must be implemented) – By June 2012

(6 months)

Risk Improvement Plan

Asses and Evaluate

Item No.-

Gaps identified/Risk -

Priority (A,B,C) -

Current controls -

Acceptable? (Yes/No) –

Action

Required actions -

Who (person responsible for managing the risk) -

When (time by which risk control must be implemented) -

Asses and Evaluate

Item No.-

Gaps identified/Risk -

Priority (A,B,C) -

Current controls -

Acceptable? (Yes/No) –

Action

Required actions -

Who (person responsible for managing the risk) -

When (time by which risk control must be implemented) -

Asses and Evaluate

Item No.-

Gaps identified/Risk -

Priority (A,B,C) -

Current controls -

Acceptable? (Yes/No) –

Action

Required actions -

Who (person responsible for managing the risk) -

When (time by which risk control must be implemented) -

Asses and Evaluate

Item No.-

Gaps identified/Risk -

Priority (A,B,C) -

Current controls -

Acceptable? (Yes/No) –

Action

Required actions -

Who (person responsible for managing the risk) -

When (time by which risk control must be implemented) -

Asses and Evaluate

Item No.-

Gaps identified/Risk -

Priority (A,B,C) -

Current controls -

Acceptable? (Yes/No) –

Action

Required actions -

Who (person responsible for managing the risk) -

When (time by which risk control must be implemented) -

Asses and Evaluate

Item No.-

Gaps identified/Risk -

Priority (A,B,C) -

Current controls -

Acceptable? (Yes/No) –

Action

Required actions -

Who (person responsible for managing the risk) -

When (time by which risk control must be implemented) -

Abbreviations

CEO

Chief Executive Officer

CRM

Client Relationship Management System

CSO

Community Service Organisation

CRISSP

Client Relationship Information System for Service Providers

DHS

Department of Human Services

EBA

Enterprise Bargaining Agreement

FAR

Financial Accountability Requirement

HR

Human Resources

IR

Industrial Relations

KPI

National Disability Services

WHS

Workplace Health and Safety (also known as OHS: Occupational Health and Safety)

Standard PROS 07/01

Public Record Office Standard – General Retention and Disposal Authority for Records of Common Administrative Functions

VMIA

Victorian Managed Insurance Authority

Definitions

Competencies/ process skills

The knowledge, skill and attitude to perform and achieve organisational objectives.

Compliance

Adherence to applicable laws and regulations contract terms, position descriptions, policies and procedures of an organisation etc.

Controls linked to risk

Controls are policies, procedures, systems, etc, which may or may not be put in place to provide reasonable assurance that the risks are mitigated and/or reduced to a level acceptable.

Core outcome

Defines the expected and requisite outcomes of the process.

Measure of success

Defines the method used to determine how successful the implementation process has been.

Objectives

Definition, reason and scope of the element.

Policy

A set of principles or rules to guide decisions and achieve rational outcome(s) for the organisation.

Risk

Combination of the probability of occurrence of harm and the severity of that harm.

Risk control

Actions implementing risk decisions.

Risk criteria

Terms of reference by which the significance of risk is assessed.

Risk evaluation

Process of comparing the estimated risk against given risk criteria to determine the significance of the risk.

Risk identification

Process to find, list and characterise elements of risk.

Risk management

Coordinated activities to direct and control an organisation with regard to risk.

Risk management system

Set of elements of an organisation’s management system concerned with managing risk.

Risks which threaten Objectives

Risks which may threaten the attainment of the Objectives. Risk by definition is the chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood (ISO 31000:2009).

Stakeholder

Any individual, group or organisation that can affect, be affected by or perceives itself to be affected by, a risk.

Workplace

Includes all places that staff or volunteers work, including client homes and public places.

See instructions on how to complete the checklist. The checklist can also be filled out in Microsoft Excel, with automatic calculation and charts. The Excel file can be downloaded from the [NDS website](http://www.nds.org.au/projects/article/69).

Leadership

Objectives

Authority, accountability, stewardship, leadership, direction and control exercised in an organisation, including:

Relationships and interactions between a community service organisation (CSO) and stakeholders, including government.

Relationships and interactions between the Board and management.

Accountability and compliance arrangements.

Responsibility of Boards for ensuring good governance by determining strategic direction, ensuring legal compliance and sound financial governance.

Risk management and monitoring and evaluating results and achievements

Sub-Elements

Governance Framework

Skills of Board

Audit and Compliance

Managerial Leadership

Governance Framework

Basic

Board Charter -

Code of Conduct (including separation of management and governance roles) -

Governance framework (informal) -

Delegations Policy (limits of authority) -

Board meeting procedures -

Total points:

% Score:

Intermediate

Board Charter with detailed responsibilities and accountabilities -

Code of Conduct (including separation of management and governance roles) -

Governance framework (formal) -

Board approved Delegations Policy -

Board meeting procedures documented -

Board has an annual work plan in place -

Audit Committee or equivalent (for financial compliance) -

Significant Incidents reporting process in place -

Total points*:*

% Score*:*

Advanced

Board Charter with detailed responsibilities and accountabilities -

Code of Conduct (including separation of management and governance roles) -

Governance framework (formal) -

Governance framework reviewed regularly -

Board approved Delegations of Authority -

Board meeting procedures documented -

Board has an annual work plan in place -

Audit and Risk Committee(s) in place to oversight all risk areas -

Incident review and management process in place -

Total points:

% Score:

Skills of Board

Basic

Board is aware of the skills and expertise required of the Board -

Board understands roles and responsibilities -

Selection criteria for Board members and CEO -

Total points*:*

% Score:

Intermediate

Board is aware of the skills and expertise required on the Board and has taken measures to address gaps in skills/expertise -

Understands roles and responsibilities and provides strategic direction -

Induction program for new Board members in place -

Training program for Board in place -

Selection criteria for Board members and CEO established, and effective recruitment of Board members -

Total points:

% Score:

Advanced

Board members have the necessary skills and knowledge to ensure compliance including, but not limited to, financial, operational, legal, risk and governance issues -

Board understands roles and responsibilities and provides clear strategic direction and performance targets -

Induction program for new board members in place -

Training and succession program for Board -

Ongoing development for Board members -

Performance management of Board members and Board -

Selection criteria for Board members and CEO and effective recruitment and retention of board members -

Board regularly reviews its effectiveness -

Board sets and supports risk management culture -

Total points:

% Score:

Audit and Compliance

Basic

Regular (monthly) meetings -

Meetings follow a meetings procedure, including agendas and minutes -

Regular oversight reports -

Annual financial reporting and external financial audit as required by legislation -

Reporting processes with formal terms of reference for each committee formed -

Total points:

% Score:

Intermediate

Regular (monthly) meetings -

Meetings follow a meeting procedure, including agendas and minutes -

Regular oversight reports on key systems and high risks -

Annual financial reporting and external financial audit as required by legislation -

Internal Audit Program in place for financial compliance -

Reporting processes with formal terms of references for each committee formed -

Policy framework in place -

Total points:

% Score:

Advanced

Regular (monthly) meetings where minutes are prepared and circulated -

Meetings follow a meetings procedure and Terms of Reference, including agendas and minutes -

Regular oversight reports on key systems and high risks -

Reporting includes:

Progress against strategic and annual plans -

Risk and risk controls -

Financial reporting (short-term and long-term) -

Annual financial reporting and external financial audit as required by legislation -

Internal and external audit program linked to key risks -

Audit recommendations actioned -

Reporting processes with formal terms of reference for each committee formed -

Policy framework in place -

Governance requirements are documented, understood and implemented at Board and management levels -

Compliance to regulatory requirements is monitored and reviewed on a regular basis -

Total points:

% Score:

Managerial Leadership

Basic

Executive/Managers:

Communicate Vision and Goals -

Encourage good team dynamics -

Know what staff are doing -

Keep abreast of policy developments -

Ensure appropriate resources and expert support are available -

Maintain a regular connection with service users -

Total points:

% Score:

Intermediate

Executive/Managers:

Clearly communicate Vision and Strategy -

Develop good team dynamics -

Build strong rapport with staff -

Ensure results are achieved -

Keep abreast of policy developments and networks with the sector -

Maintain relationships with key stakeholders e.g. funding bodies -

Maintain a close connection with service users -

Guide, develop and mentor their people -

Keep developing themselves as leaders -

Ensure appropriate resources and expert support are available -

Total points:

% Score:

Advanced

Executive/Managers:

Inspire a sense of purpose and direction -

Lead the organisational culture, aligned to organisational strategy -

Lead by example – demonstrate desired values and behaviours -

Model and encourage organisational learning -

Ensure strong staff engagement, empowerment and performance -

Influence policy and the sector -

Nurture relationships with key stakeholders e.g. funding bodies -

Maintain a close connection with service users -

Keep developing themselves as leaders, and seek feedback about their leadership style. -

Total points:

% Score:

Risks that threaten objectives and the Controls to minimise risks

Poor technical skills of Board

* Technical skills courses
* Recruitment process
* Expectations of Board members clearly communicated
* Governance framework – Board charter, Board committees
* Regular Board meetings (at least quarterly)
* Board members with relevant skills and knowledge
* Induction manual and training program
* Training system for Board
* Rigorous Board program of service visits and briefings

Ineffective Board

* Evaluation of Board performance and self-assessment
* Governance training
* Board succession plan

Failure to attract and retain Board members

* Effective recruitment systems and processes
* Effective induction and training processes

Poor quality of governance

* Governance framework

Disconnect between governance and the behaviour demonstrated by the organisation

* Communications framework

No vision or drive from Board

* Board with appropriate skill set

Poor link between planners and agency governance

* High level networking
* Involvement of key stakeholders in major strategy meetings

Loss of funding

* Process, timeline, communication and audit

Failure to move to accreditation

* Accreditation
* Universal commitment to quality
* Robust quality

Lack of clarity of accreditation requirements

* Policy and procedures

Service requirements not clear 3 years out

* High level networking
* Service requirements forecast and linked to Strategic Plan

Increasing levels of regulation, monitoring and compliance

* Best practice management system
* Total Quality Framework

Non-compliance

* Quality assurance system in place which is monitored and reviewed regularly

Compliance

Victorian Disability Act 2006

DHS Funding and Service Agreement

Victorian State Disability Plan 2002–2012

Standards for Disability Services in Victoria 2007

The Human Rights and Responsibilities Act 2006

Disability Discrimination Act 1992

Sex Discrimination Act 1984

Occupational Health and Safety Act 2004

Model Work Health and Safety Act

Corporations Law

Resources

[Governance Structure and Charter](http://www.nds.org.au/projects/article/69) developed as part of this project: describes governance responsibilities, outlines criteria for decision making and assists monitoring of organisational performance.

FACHSIA [Corporate Governance Handbook for Company Directors and Committee Members](http://www.fahcsia.gov.au/sa/disability/pubs/general/CorporateGovernanceHandbook/Documents/gov_handbook_2010.PDF)

[Chartered Secretaries of Australia](http://www.csaust.com) (CSA): resources in respect to governance, Board functions and duties etc.

[Corporate Directors Association](http://www.directors.com.au): reading resources and professional development.

The Book of the Board: Effective governance for non-profit organisations, 2nd Edition, David Fishel, Federation Press, Sydney, 2008.

Comments/additional risks and controls

Strategy and Planning

Objectives

To define and guide the direction of the organisation, in the short and long-term, and make informed decisions on allocating resources to pursue the organisation’s strategic and operational plans

To reorient disability supports to enable individualised services and choices

Sub-Elements

Strategic Planning

Risk Management

Evaluating Performance Against Targets

**Strategic Planning**

Basic

Board sets Vision, Mission and Goals -

Board meets to plan annually -

Strategic Plan in place -

Annual Business Plan in place -

Total points:

% Score:

Intermediate

Three-year Strategic Plan with clear Goals and direction -

Strategic planning process linked to and supports business plans, reporting processes and decision making -

Board sets Vision, Mission and Goals and reviews Vision and Mission every

three years -

Performance indicators and targets are set and cascaded through to individual Performance Plans (and measurement) -

Board meets to review performance against plan every six months -

Consultation with community and funding bodies in the context of the strategic planning process -

Strategic planning cycle includes risk identification -

Key stakeholders including people with disability are involved in planning -

Financial and capital plans aligned to annual business plans -

Total points:

% Score:

Advanced

Three–five-year Strategic Plan with clear Goals and direction -

Strategic planning process linked to and supports Vision, Mission, Values, operations, organisational capacity and financial performance -

Board sets Vision, Mission and Goals and reviews Vision and Mission   
every three years -

Business plans developed by management and staff -

Performance indicators and targets are set and cascaded through to individual Performance Plans -

Board meets to plan quarterly -

Strategic planning cycle includes risk identification -

Strategic Plan communicated to primary (employees, service users, parents and carers) and secondary (broader community/local government etc.) stakeholder groups which are involved in planning -

Knowledge and information to inform planning (monitoring trends/forecasting) -

Financial and capital plans aligned to annual business plans -

Strategic Plan and business plans updated annually -

Strategic planning factors in future service provision requirements, based on factors including changing demographics of society -

Total points:

% Score:

Risk Management

Basic

Appropriate insurances are in place -

Risk management processes designed but not implemented -

Legislative requirements listed -

Total points:

% Score:

Intermediate

Appropriate insurances are in place -

Risk management roles and responsibilities defined -

Incident reporting system in place -

Risk management framework and process in place and operating within the organisation -

Board approved risk management policy -

Risk register in place and reviewed at least quarterly for improvement of priority risks -

Risk is considered as part of major projects and business decisions -

Legislative requirements listed -

Business continuity plans developed and tested -

An emergency response plan exists -

Total points:

% Score:

Advanced

A managed insurance portfolio is in place -

Risk management roles and responsibilities actively lived out in the organisation -

Incident reporting procedures in place, reports monitored and actioned as necessary -

Comprehensive risk management framework and process are operating successfully in the organisation -

Risk management framework monitored for continual improvement -

Board approved risk management policy and plan -

Risk management framework aligned to organisational objectives -

Risk management process fully embedded within the organisations existing processes -

Risk register aligned to Strategic Plan and reviewed at least quarterly for improvement of priority risks -

Employees have been trained in risk management and understand their role -

Risks are a standing agenda in meetings and standard items in reports -

Risk treatment plans are developed for priority risks and reviewed bi-monthly for progress -

Risk-based decision making is embedded and is part of normal decision making processes -

Risk-based assurance and audit planning -

Legislative requirements listed -

Compliance matrix in place -

Business continuity and emergency management plans developed, tested annually and evaluated -

An emergency response plan exists and is tested regularly -

Total points:

% Score:

Evaluating performance against targets

Basic

Progress against organisational Goals measured -

Quarterly review against annual Business Plan and outcomes -

Total points:

% Score:

Intermediate

Evaluation process in place to measure organisational progress against Goals and targets -

Quarterly review against annual Business Plan and outcomes feed into medium-term Strategic Plan review (at the end of each year) -

Basic variance analysis reports monthly to Board and management -

Total points:

% Score:

Advanced

Evaluation process in place to measure organisational progress against Goals and targets -

Business plans and targets clearly communicated and understood throughout the organisation -

Performance management against targets -

Employees involved in setting organisational objectives -

Organisational outcomes are measured against objectives annually and targets adjusted accordingly -

Monthly reporting and review against annual Business Plan and outcomes with in depth variance analysis including:

* + - Variance against financial and capital plans and budgets -
    - Variance against Strategic Plans and objectives -

Variance analysis reports monthly to Board and management -

Progress of risk treatment plans for high and extreme risks -

Total points:

% Score:

Risks that threaten objectives and the Controls to minimise risks

Mission drift/poor strategic and business planning

* Strategic Plans and objectives developed and reviewed
* Annual Business Plans and budgets developed, aligned to strategy and regularly reviewed
* Regular reporting against plans and budgets
* Performance indicators developed and reported against
* Establish an overarching risk management framework
* Establish business continuity/emergency/pandemic plans
* Strategic direction is well communicated to and understood by all key stakeholders
* Staff understand ‘where they fit’ within the bigger (organisational) picture
* Communications process
* Gain broad organisational input in planning process
* Governance framework
* Board of Directors training plan

Strategy not being actioned or reviewed

* Communication with staff and Action Plan
* Strategy review process

Disconnect between operations, Vision and government policy

* Clear understanding within organisation of Vision
* High level networking
* Stakeholder involvement in strategy meetings
* Clear communication to all stakeholders of strategic direction

Loss of business

* Marketing/Communication Plan
* Collaboration with other CSOs and consideration of alliances, joint business or diversification opportunities

Privatisation of aspects of the business

* Understand and analyse market trends and potential impacts to ensure responsiveness
* Knowledge management

Loss of funding/insolvency

* Include all stakeholders in strategic planning and review of annual Business Plans
* Budget /plans supported by sensitivity analysis

Loss of opportunities and reputation

* Regular review of Strategic and Marketing Plan
* Regular consultation with clients and community
* Effective public relations/stakeholder Communications Plan

Loss of community support

* Community involvement in planning
* Continuous improvement
* Improved public profile
* Effective public relations/stakeholder Communications Plan

Poor governance with no succession

* External/internal audits/assurance
* Succession plans
* Review mechanism

Cultural change timeline may be too fast

* Communications/reporting framework
* Implementation plan which supports Strategic Plan
* Targeted recruitment
* Clear change management focus in business plans

No link between governance and service delivery

* Rigorous Board program of service visits and briefings

Strategy not being actioned

* Planning, reporting and monitoring processes
* Action plan which is communicated to all staff, linked to operations and reviewed regularly
* Strategic Plan linked to operational strategies and individual KPIs

Wrong strategy

* Get broader organisational input and capacity to completely review
* Risk management process
* Understand internal and external environments including forecasting, trend analysis, etc.
* Flexible strategic planning process, informed by evidence, data analysis, etc.
* Adequately/appropriately skilled staff in key positions
* Adequately/appropriately skilled Board/Committee

Poor legal advice

* Understanding the legal contract
* Monitoring key contract terms, conditions and service levels
* Diversified legal advice

Major catastrophic event e.g. fire/flood

* Tested and regularly reviewed business continuity and emergency response plans
* Adequate and regularly reviewed insurance cover

Compliance

Victorian Disability Act 2006

Standards for Disability Services in Victoria 2007

DHS Funding and Service Agreement

Victorian State Disability Plan 2002–2012

Resources

[Strategic Planning](http://www.nds.org.au/projects/article/69#practical) resource developed as part of this project: provides a framework for the development of organisational aims and objectives over a defined period (usually 3–5 years).

[Strategic Business Planning](http://www.nds.org.au/projects/article/70) resource developed by NDS, offering a more in-depth guide to planning.

Victorian Employees Chamber of Commerce [VECCI](http://www.vecci.org.au)

Australian Institute of Management [AIM](http://www.aim.com.au)

Comments/additional risks and controls

Financial Management

Objectives

The organisation is responsible for the stewardship and proper accounting of its income, expenditure, assets and liabilities. It ensures integrity and completeness of financial information.

Sub-Elements

Budgeting

Auditing and Reporting

Asset Management

Systems and Processes

Funding, Fundraising and Investment

Preparedness for Individualised Funding

Cash and Cash Flow Management

**Budgeting**

Basic

Annual budgeting process -

Regular monitoring and review of budget vs. actual -

Accurate costing to cover overheads -

Annual operational and capital budgets in place for short-term (1 year) -

Total points:

% Score:

Intermediate

Medium-term budgeting process (operational and capital expenditure)  
with 1–3-year outlook -

Regular cash flow analysis -

Monthly monitoring and review of budget vs. actual -

Basic variance reporting against budget and capital plan -

Operational and capital plans and budgets aligned to strategy and annual Business Plans -

Board approved medium-term financial strategy (up to 3-year timeframe) -

Total points:

% Score:

Advanced

Long-term budgeting process (operational and capital expenditure) with 3–5 year outlook -

Cash flow projections reported and managed -

Monthly monitoring and review of budget vs. actual -

In depth variance analysis against budget and capital plans -

Board approved long-term financial strategy (3–5 years +) -

Board approved budgets to match annual/operational plan -

Capital expenditure budget and planning -

Effective financial performance indicators established (for example revenue, debtor days, financial ratios, etc.) -

Operational and capital plans and budgets aligned to strategy and annual Business Plans -

Long-term financial strategy benchmarked and factors in external financial environmental trends considered -

Total points:

% Score:

Auditing and Reporting

Basic

Annual financial reporting and auditing -

Regular reconciliation of funding budgets -

Total points:

% Score:

Intermediate

Annual financial reporting and auditing -

Effective internal/external audit function -

Financial management framework reports to Board -

Regular reconciliation of funding budgets -

Total points:

% Score:

Advanced

Annual financial reporting and auditing -

Effective internal audit function (risk-based approach to audit planning) -

Audited financial management framework/process in place and reports on progress submitted to Board -

Attestation against Victorian Government Risk Management Framework (if applicable) -

1–3-year audit/assurance plan -

Audit recommendations are implemented -

Financial strategy monitored and in line with organisational strategy/growth projection -

Regular reconciliation of funding budgets -

Total points:

% Score:

Asset Management

Basic

Asset register in place -

Total points:

% Score:

Intermediate

Asset register in place -

Capital works plans and modelling -

Procurement policies, systems and processes -

Facilities management program -

Total points:

% Score:

Advanced

Asset register in place and updated regularly -

Capital works plans and modelling -

Procurement policies, systems and processes -

Asset management plan linked to strategy -

Facilities management system -

Total points:

% Score:

Systems and Processes

Basic

Pricing process documented for services provided -

Accurate recording of invoices and receivables -

Regular reconciliations -

Chart of Accounts -

Financial System copes with reporting requirements -

Financial delegations documented -

Total points:

% Score:

Intermediate

Pricing process and strategies for services provided documented -

Cost structure caters to volume fluctuations -

Accurate and timely recording of financial transactions -

Monthly reconciliations -

Timely invoicing and follow-up -

Accurate recording of invoices and receivables -

Standard Chart of Accounts -

Integrated accounting/financial system -

Financial system copes with reporting requirements -

Financial policies and processes documented -

Financial delegations documented and communicated -

Procurement policies and systems in place -

Financial management processes are implemented at departmental level -

Financial drivers understood, business model calculations show viable business -

Total points:

% Score:

Advanced

Pricing process and strategies for services provided documented -

Cost structure caters to volume fluctuations -

Monthly reconciliations -

Timely invoicing -

Regular monitoring of financial statements and performance -

Accurate and timely recording of financial transactions -

Standard Chart of Accounts -

Integrated accounting/financial/CRM system -

Financial System copes with reporting requirements -

Financial policies and processes documented -

Financial delegations documented and communicated -

Financial management framework in place, including procurement policies and  
systems -

Financial management processes are implemented at departmental level -

Financial drivers understood, business model calculations show viable business which supports growth -

Financial modelling, including trend analysis and business case approvals process -

Total points:

% Score:

Funding, fundraising and investment

Basic

Short-term funding stability -

Fundraising conducted on ad-hoc basis -

Board approved investment policy -

Total points:

% Score:

Intermediate

Medium-term funding stability -

Fundraising conducted on regular basis -

Fundraising compliance to standards -

Fundraising events (if applicable) include relevant stakeholders -

Board approved investment strategy to ensure operational continuance -

Consistency of income/revenue stream -

Board approved investment policy and procedures in place -

Total points:

% Score:

Advanced

Long-term funding stability (multiple/diverse income streams/sources) -

Fundraising conducted on regular basis with an annual calendar of events planned -

Fundraising compliance to standards -

Fundraising events (if applicable) include relevant stakeholders -

Submission writing for fundraising -

Investment returns benchmarked against market rate -

Board approved investment strategy/policy/procedures in place -

Consistency of income/revenue stream -

Strategies and procedures for investment include short-term and long-term strategies to ensure operational continuance -

Total points:

% Score:

Preparedness for Individualised Funding

Currently applies to CSOs supporting people with Day Services funding or with Individual Support Packages

Basic

Costing of services

A proportion of funding is attached to individual clients, via day service funding or ISPs -

Understanding of what it costs to provide support to those individuals in receipt of individualised funding -

Contracts

Plain language contracts in place with all clients in receipt of individualised funding as well as with funding body for block funding -

Exploration underway to understand what individual funding means to the organisation -

Invoicing

Invoicing system meets the needs of contracts with funding bodies -

Invoices are timely and accurate -

Invoice tracking system established to identify potential payment delays and bad debts -

Accounting

Expenditure is tracked on a individual as well as service-by-service/cost centre basis -

Basic adaptation of systems and processes to account for individual support -

Development of easily understood financial information has commenced -

Total points:

% Score:

Intermediate

Costing of services

Services are costed on an hourly rate, including what it costs to run the service -

Calculation of hourly rate can be explained -

Contracts

Plain language contracts in place with people who control their funding, based on their support plan and personal budget -

Virtual budgets within block contracts are being considered for more flexibility  
for people -

Invoicing

Invoicing system meets the needs of contracts with funding bodies and individuals -

Invoices are timely and accurate -

Invoice tracking system established to identify potential payment delays and bad debts -

Cost centres developed for all services -

Accounting

All costs associated with support of each individual are being tracked, including staff time -

Changes required for the accounting system are beginning to be understood -

Links between what people are spending their money on and outcomes within their support plan can be shown -

Easily understood financial information is provided to individuals -

Total points:

% Score:

Advanced

Costing of services

Detailed costs for each individual support plan is known -

Effective process in place to track and manage costs and cost variations -

People are able to use their money in a flexible manner, not just to purchase hours but to buy as much or as little of the service as they require -

Contracts

Plain language contracts in place with people who control their funding, based on their support plan and personal budget -

Invoicing

Invoicing system meets the needs of contracts with funding bodies and individuals

Invoices are timely and accurate -

Invoice tracking system established to identify potential payment delays and bad debts -

Cost centres developed for individuals -

Accounting

Monitoring and accounting systems provide information for each individual on how they are spending their budget -

System also shows how their expenditure relates to their support plan and whether they are over or under budget -

Information supplied is easy to understand after consultation with people and families -

Total points:

% Score:

Cash and cash flow management

Basic

Cash handling process -

Billing and collection process -

Basic internal controls -

Segregation of duties -

Total points:

% Score:

Intermediate

Documented cash handling system, including security arrangements -

Billing and collection system -

Cash flow and debt levels managed -

Credit card and direct debit facilities in place as needed -

Fraud control plan communicated -

Bad debts policy -

Total points:

% Score:

Advanced

Documented cash handling system, including security arrangements -

Billing and collection system -

External service is used for debt collection as needed -

Timely payment on all Financial commitments -

Cash flow and debtor days managed -

Cash flow projections and cash management -

Cash flow statement prepared and reviewed quarterly -

Flexible payment options exist, e.g. EFTPOS, credit cards, direct debit, etc -

Fraud control plan and whistle-blowing procedures communicated -

Bad debts and write-off policy -

Total points:

% Score:

Risks that threaten objectives and the Controls to minimise risks

Financial targets not monitored or modified

* Ongoing monitoring of financial activity and cash flow
* Regular financial reporting and analysis

Strategy execution ineffective Financial KPIs linked to strategy

* Constant review of business trends and environment
* Regular review of business and cost model
* Business and cost model aligned to strategy

Unable to attract clients

* Marketing
* Delivery of services aligned to individual needs

Lack of upfront funding negatively impacting cash flow

* Regular financial monitoring and reporting
* Good cash flow and debtor management systems

Risk of client purchasing service elsewhere - Clear statement of agreed service provided

* Marketing Plan
* Selling to the client

Reduced service delivery

* Sound financial and cost control practices
* Accurate unit costing
* Intake of clients managed
* Staff training and development
* Recruitment of staff

Fundraising does not meet budget

* Increase applications
* Due diligence, project management
* Regular reporting on fundraising program
* Increased community/public profile
* Organisation’s Mission understood by philanthropists

Poor financial governance

* Governance framework for entire organisation
* Finance and Audit Committee (or similar)
* Accountabilities and responsibilities clearly defined.

Criminal/departmental investigation

* Complaints systems and external audits

Loss of funding and service agreements

* Compliance register/matrix
* Compliance monitored and measured

IT systems have no capacity for growth/unable to be supported

* Use of CRISSP and/or build IT capacity within organisation
* Seek business expertise through recruitment/networking
* Capacity planning

Lack of staff capacity and capability

* Staff trained in financial cash flow and debtor management
* Business education

Budget not linked to strategy

* CRISSP
* Strategic planning ensures budgets are aligned to organisational Goals/outcomes
* Regular review to ensure alignment of budget with Strategic Plan
* Maintaining funding and service agreement
* Monitoring cash flow and debts
* Maintain awareness of IR/employment changes
* Clear operational communication to the Board or Committee
* Board or Committee has appropriate financial /operational expertise

Incorrect costing of individual services/overheads

* Review of current and anticipated overheads
* Review of service costing
* Regular reporting on anticipated service demand

Cost and effort duplicated

* Recover with administration fee

Bad debt

* Bad debt policy and review process
* Write-off policy

Damage to reputation re: debtor management

* Debt collection policies and procedures
* Regular review and monitoring
* Invoicing methods such as prepayment, penalty clauses, etc. included in service agreement
* Service agreement clearly communicated and understood by client
* Relationship management

Unable to adapt to industry reform

* Systems include forecasting of financial, service delivery and recruitment/retention statistics
* Strategy includes contingency planning across all sectors of the organisation
* Skill/capability gap analysis conducted and measures taken to address gaps

Client not authorising invoicing or delaying payment of invoice

* Standard sector terms and conditions for invoicing

Lack of cash for long-term asset management

* Perpetual maintenance investment policy
* Cash flow monitoring and review

Loss of assets

* Asset register
* Security processes
* Segregation of duties
* Internal controls
* Fraud control plans and whistle-blowing procedures

Armed hold-up or robbery

* Contract for cash collection
* Insurance
* Use alternate payment methods, including EFTPOS, credit card, direct debit
* Minimise cash accepted

Cash flow (particularly around the delayed payment process)

* Cash flow monitoring and review – cash flow management
* Monitoring budgets by major program, services or activity

Insolvency

* Review and follow up of budget and period-to-period operating variances in a timely manner
* Review and discuss operating results with management and Board in a timely manner
* Debtor management
* Debt collection procedures
* Electronic transfer of funds – system developed for electronic tracking

Lack of tracking and monitoring of funding

* Processes and consistency of electronic transfer of funds and tracking
* Client management system which feeds into financial systems – i.e. payroll/financing
* Inter-connected financial systems

Suppression or overriding of internal controls

* Documenting decisions regarding non-routine transactions
* Implementing monitoring programs
* Segregation of duties
* Fraud control plan

Investment policy not meeting requirements of Strategic Plan

* Effective Board oversight of investment policy with regular meetings
* Investment management expertise
* Transaction review
* Use of performance indicators
* Regular position monitoring, review and reporting

Wage increases/costs increase

* Robust budgeting system
* Effective cost control policies and procedures
* Human resource policies and procedures
* Quickly adaptable and responsive pricing process

Fraud

* Segregation of duties
* Delegations process
* Internal and external audit plan
* Management control
* Fraud control plan and whistle-blowing procedures
* Investigation and termination policy (human resource)

Government legislation/direction affects financial position

* Maintain close relationships with government
* Be proactive/innovative for early response

Economic climate

* Robust budgeting system
* Effective monitoring system
* Investment policy and procedure
* Diversified investment strategy
* Regular market reviews and reports
* Capital guaranteed investments
* Investment committee oversight and approvals

Compliance

Financial Management Act 1994

Audit Act 1994

Financial Management Regulations 2004

[DHS regulations](http://www.dhs.vic.gov.au/Disability%20Regulations%202007)

Standards for Disability Services in Victoria 2007

Pricing regulations

National Competition Policy

DHS Funding and Service Agreement

Fundraising Appeals Act 1998

Resources

[Costing Tool and guide](http://www.nds.org.au/projects/article/70) developed by NDS as part of the Strategic Business and Financial Planning Project

[Auditing Standards](http://www.auasb.gov.au/standards)

[Asset Management Council](http://www.amcouncil.com.au): NFP promotion and education on asset management.

[Fundraising Institute of Australia](http://www.fia.org.au): training, information, resources

Comments/additional risks and controls

Innovation, Quality and Improvement

Objectives

Ensure that the organisation’s service delivery systems are flexible, dynamic and support the needs of people with a disability.

Ensure the organisation is operated in an efficient, effective manner, adhering to quality principles and practices.

Sub-Elements

Policies and Procedures

Service Delivery

Quality

Information Management

Asset Management

**Policies and Procedures**

Basic

Consistent core policies and procedures for each section of the organisation documented and applied -

DHS incident reporting policy followed -

Complaints/feedback documented and measured -

Personnel informed of procedures -

Service provider fulfils requirements (where required) as outlined in the Victorian Disability Act 2006, including development and review of:

* + - information provision -
    - support plans -
    - residential statements -
    - behaviour support plans -

Total points:

% Score:

Intermediate

Standard policy and procedures manual, incorporating core policies and operating procedures for each section of the organisation, that is reviewed on a regular basis -

Policies and procedures discussed regularly in staff meetings -

DHS incident reporting policy followed with incidents investigated -

Complaints/feedback documented and measured -

Personnel trained in relevant procedures -

Service provider fulfils requirements (where required) as outlined in the Victorian Disability Act 2006, including development and review of:

* + - information provision -
    - support plans -
    - residential statements -
    - behaviour support plans -
    - building partnerships and relationships with local communities -

Quality, WHS and environmental management systems developed and implemented -

Total points:

% Score:

Advanced

Standard policy and procedures manual reviewed as per the review schedule - includes a proper referencing system with change controls put in place -

Policies and procedures discussed regularly in staff meetings -

DHS incident reporting policy part of incident management process which includes tracking and identification of incident trends -

All staff receive copies of the policies and procedures which are reinforced at staff meetings -

Regular supervisory inspections (monthly) are conducted to ensure employees follow procedures -

Regular systems audits are conducted, both internally and externally -

Service provider fulfils requirements (where required) as outlined in the Victorian Disability Act 2006, including development and review of:

* + - information provision -
    - support plans -
    - residential statements -
    - behaviour support plans -
    - building partnerships and relationships with local communities -

Strengths and weakness in the above processes identified, monitored and reviewed Services provided by external sources (suppliers, etc) are monitored for compliance with Integrated management system requirements -

Quality data included in evidence-based decision making -

Process and operations trend analysis conducted for continual improvement opportunities -

Systems that can deal with growth, adaptable and scalable -

Integrated management system in place including:

* + - quality management system -
    - WHS management system -
    - environmental management system -
    - incident/feedback/complaints management system -

Evidence collected to measure how clients are impacted by service - trend analysis on client outcomes -

Complaints management system in place -

Total points:

% Score:

Service Delivery

Basic

Service Provider maintains DHS registration (if applicable) -

Client needs evaluated and planning for support conducted -

Case referral to various service providers (if applicable) -

Service costing developed and communicated to client -

Support plan developed, documented and communicated in conjunction with client, including communication and decision making processes for client -

Information on service and costing is provided to client in an accessible format -

Support plan developed and documented -

Deliver and monitor service -

Regular review of client support plan -

Total points:

% Score:

Intermediate

Service provider maintains DHS registration (if applicable) -

Client needs assessed in detail, evaluated and planning for support conducted -

Case referral to various service providers (if applicable) -

Service costing developed and communicated to client -

Support plan developed, documented and communicated to client, including ongoing communication and decision making processes --

Information on service and costing is provided to client in an accessible format -

Deliver and monitor service -

Regular feedback sought from client -

Regular review of client support plan -

Exit survey given to clients, as needed -

Total points:

% Score:

Advanced

Service provider maintains DHS registration (if applicable) -

Client needs assessed in detail, evaluated and planning for support conducted -

Needs assessment and service plan takes into account client’s aspirations and quality of life -

Case referral to various service providers (if applicable) -

Service costing developed and communicated to client -

Support plan developed, documented and communicated in conjunction with client, including ongoing communication and decision making processes -

Support plan takes into account safety and security of clients and staff -

Support plan documented with service level agreements -

Support plan contract includes terms and conditions -

Information on service and costing is provided to client in an accessible format -

Deliver and monitor service -

Regular feedback sought from client -

Regular review of client support plan -

Exit survey given to clients, and comments inform quality process -

Total points:

% Score:

Quality

Basic

Quality management plan for short-term (one-year outlook) -

Quality policies and procedures -

Quality benchmarking against the Standards for Disability Services in Victoria 2007 -

Services monitored and evaluated regularly -

Service users involved in quality self-assessment processes -

Quality accreditation of services maintained -

Total points:

% Score:

Intermediate

Quality management plan for medium-term (1–2-year outlook) -

Quality management framework, including quality policies and procedures -

Robust quality management system which is client focussed -

Quality benchmarking against the Standards for Disability Services in Victoria 2007 and progress reviewed -

Streamlined processes and procedures -

Continuous improvement program/processes -

Services monitored and evaluated regularly and suggestions made for improvement -

Service users involved in quality self-assessment processes and assist in quality self-evaluation -

Quality accreditation of services maintained -

Total points:

% Score:

Advanced

Quality management plan for long-term (1–3-year outlook) -

Accredited quality framework, continuous certification -

Quality management framework -

Robust quality management system which is client focussed -

Quality benchmarking against the Standards for Disability Services in Victoria 2007 which is used as basis for long-term Quality management plan (3–5-year outlook) -

Streamlined processes and procedures -

Employee involvement/input is actively sought -

Employees/teams are involved in continuous improvement -

Organisation actively promotes and drives continuous improvement -

Continuous improvement program/processes in place, including feedback from complaints -

Services monitored and evaluated with proactive improvement plan in place -

Service users involved in quality self-assessment processes and assist in quality self-evaluation and benchmarking -

Quality accreditation of services maintained -

Total points:

% Score:

Information Management

Basic

Records maintained -

Transparent information and reporting systems -

Systems able to collect data and meet reporting requirements -

Total points:

% Score:

Intermediate

Effective records management system -

Integrated information systems (including IT/technology) -

Information Security Policy -

Privacy and Access Policy -

Records stored in secure place -

IT/electronic records backed up regularly -

Systems able to collect data and meet reporting -

Total points:

% Score:

Advanced

Integrated Records Management System with Client Relationship Management database -

Fully integrated information and financial management system -

Effective knowledge management -

Information Security Policy and Procedures, including maintenance, storage and destruction of client records -

Privacy and Access Policy and procedures -

Records stored in fire/flood proof facility -

IT records backed up daily to off-site/third-party facility -

Systems collect data efficiently and meet reporting requirements -

Total points:

% Score:

Asset Management

Basic

Asset register in place -

Regular inventory inspection to monitor movement, condition and maintenance service records of assets -

Total points:

% Score:

Intermediate

Asset Control Register in place -

Preventative maintenance schedules in place to maintain assets -

Forward planning for future replacement of assets -

Regular inventory inspection to monitor movement, condition and maintenance service records of assets -

Contract management process in place -

Out-of-hours access managed -

Work-order process in place -

Total points:

% Score:

Advanced

Asset Management System in place -

Preventative maintenance schedules in place to maintain assets -

Facilities management -

Monthly progress reporting against key preventative maintenance schedules -

Asset life-cycle methodology is used to identify planning, acquisition, operations and maintenance and disposal for current and future capital assets -

Regular inventory inspection to monitor movement, condition and maintenance service records of assets -

Contract management and administration processes and systems in place -

Out-of-hours access managed -

Maintenance planning is linked to preventative maintenance system -

Physical security process in place -

Work-order system in place -

Total points:

% Score:

Risks that threaten objectives and the Controls to minimise risks

Loss of key supply or supplier (e.g. gas)

* Contract management process (service level agreements)
* Supply chain management
* Business continuity/emergency management plans
* List of approved suppliers
* Inventory policies and stock-piling
* Stakeholder relationship management

Record deterioration or loss of information

* Information management system

Inadequate information to inform decision making – damage to reputation

* Analysis and testing of decision processes

Drought/water restrictions

* Environmental systems
* Determine carbon footprint

Ageing assets/infrastructure

* Preventative maintenance plan
* Capital budgeting
* Capital replacement program
* Long-term investment strategy

IT virus/security

* IT disaster recovery plan (part of business continuity and emergency management plans)
* Access control
* Information security policy

Poor quality, client complaints, unmet client needs

* Policies and procedures, integrated management system
* Employee training
* Client complaints system
* Client satisfaction survey
* Employee performance management system
* Client support plan monitored at regular intervals and progress measured against client Goals.
* Support plans include supports and services which reflect individual client priorities
* Active engagement in community networks and area planning processes

Unauthorised disclosure of confidential information

* Establish security and privacy policies and monitor implementation

Absence of risk analysis around cross-sector systems

* Risk management framework

High staff and client turnover

* Marketing/Communication Plan
* Client and staff satisfaction surveys
* Regular communication with staff
* Consultation with stakeholders, internal and external
* Management of fluctuations in staff/asset levels

Loss of funding

* Networking with key stakeholders in government

Loss of community support and reputation

* Continuous improvement
* Regular review and consultation with community
* Relevant target group

Inefficient system resulting in loss of income

* Review actual against targets
* Review Business Plan approach

Service quality reduced through dispersing service provision

* Communication – accurate, current, relevant
* Brand recognition
* Community networks
* Sales/marketing strategy
* Establish policy and process formulation and review system
* Integrated quality management system
* Robust sub-contracting arrangement which ensure accountabilities can be met

Non-compliance/failure to move to certification

* Quality assurance and management system

Service quality compromised by partner or subcontracted organisations

* Communication – accurate, current, relevant
* Service Level Agreements
* Regular service provision reviews

Unclear organisation/service requirements

* Intelligence gathering
* Policy and procedures
* Accreditation
* Universal commitment to quality
* Robust quality management system

Service model change not being implemented

* Service model established which reflects self-directed approach to service delivery
* Constant revising of self-directed approach and client centred model
* Learning and development opportunities for people with a disability and staff about self directed approaches to service delivery
* Consultation and regular review and action
* Location monitoring
* Monitor service provided
* Peer support – link to broader team
* Adapt to consultation, regular review and refine Strategic Plan based on feedback from stakeholders
* Adapt to monitor and review supports and services provided

Failure to adequately plan for future services and cost of service delivery

* Assess and review business requirements

System break down – system not meeting needs

* Audit systems regularly

Not meeting legislative requirements, including requirements for registration

* Information provided on registration requirements as per the relevant legislation
* Process consistency across regions

Inadequate information regarding the outcomes of support and service delivery

* Clearly defined information provided to organisations and people with a disability regarding the level of support and services
* Information includes terms of self-directed planning and funding which supports the funding and expenditure of service/support provision

Lack of resources to provide service/respond to request

* More targeted resources
* Forecast required resources

Lack of assessment in planning

* List of options, including for referral to another service provider
* Information sourced to enable accurate assessment
* Skilled/competent planners/facilitators/case manager
* Management/assessment strategies to determine continuation of service provision for individual

Changes in client requirements during approval process

* Flexible services
* Ensure accurate and current information relating to the needs of people with a disability

Ad-hoc solutions

* Systemic, planned approach
* Clear contingency plan to enable short-term response solutions with clear review processes

Provision of support for which there is no funding/allocation in the budget

* Proactive support

Too many referrals overwhelm service delivery capacity

* Contracting
* Regular communication with other service providers with regard to distributing service delivery

Loss of business

* Contingency planning on loss of clients

Information theft

* Regularly reviewed and tested information management systems
* Controlled and reviewed access delegations

Compliance

Victorian Disability Act 2006

DHS Funding and Service Agreement

Victorian State Disability Plan 2002–2012

Standards for Disability Services in Victoria 2007

Freedom of Information Act 1982

Public Health and Wellbeing Act 2008

Public Health and Wellbeing Regulations 2009

Information Privacy Act 2000

Public Records Act 1973

Water Act 1989

Standard PROS 07/01 for record management policy, procedures and systems

Local Government requirements including Town Planning Permits, Building Regulations etc.

Resources

[Client Service Charter](http://www.nds.org.au/projects/article/69#practical) resource developed as part of this project. This resource outlines a process to ensure that organisations comply with the Victorian Disability Act 2006 and the Quality Framework standards. The Charter describes the services that the organisation offers, the rights and responsibilities of the parties involved in service delivery, how people with a disability can expect to be treated by staff and the way the service provider will communicate. Each organisation’s culture and service delivery ethos are also outlined in the Charter.

[DHS Quality Framework](http://www.dhs.vic.gov.au/disability/improving_supports/quality_framework_for_disability_services_2007)

Australian Institute of Management, [AIM](http://www.aim.com.au)

Comments, additional risks and controls

People

Objectives

Attract and retain skilled and competent employees to achieve organisational Goals at the minimum cost necessary, considering Advanced value service delivery with regard to quality and the organisation’s operating environment.

A skilled workforce of managers and workers with the right values and with structured and well developed career paths

Staff empowerment

Workforce planning

Sub-Elements

Recruitment and Retention

Learning and Development

Performance Management

Volunteer Management

Workplace Health and Safety

Communications

Contractor Management

**Recruitment and Retention**

Basic

Recruitment process for qualified /skilled/competent people -

Clear position descriptions exist for each role -

Effective pre-employment screening -

Staff retention measured -

Informal HR policies/systems -

Total points:

% Score:

Intermediate

Recruitment and retention strategy -

Clear position descriptions exist for each role -

Effective pre-employment screening -

Staff retention measured regularly -

Workforce is working towards multi-skilling -

Employee satisfaction surveys are conducted on an ad-hoc basis -

Staff reward/recognition -

Staff satisfaction and engagement -

Staff turnover and absenteeism are measured with corrective action taken -

Well functioning HR system -

Long-term workforce planning based on the likely client demographic -

A culture of value and respect for colleagues is fostered -

Staff suggestion scheme -

Industry benchmarking undertaken for remuneration -

Exit interviews are conducted when staff leave and improvements made  
where relevant -

Total points:

% Score:

Advanced

Recruitment and retention strategy – includes career pathways and succession planning (including for Board members) -

Clear position descriptions which are measurable and quantifiable (using KPIs) exist for each role and reviewed regularly -

Comprehensive pre-employment screening -

Multi-skilled workforce -

Enterprise bargaining agreement -

Staff satisfaction and engagement measured through regular surveys -

Staff recognition and rewards -

Staff turnover and absenteeism are measured and reported, with timely corrective action taken -

Strong Human Resources function -

Long-term workforce planning based on the likely client and workforce demographic trends -

A culture of value and respect for colleagues is fostered -

Staff suggestion scheme -

Strategic planning includes collection of workforce data and skills gap analysis -

Recruitment plan includes Action Plans for targeting people with particular skills, including graduate recruitment programs -

Reward and recognition program -

Competitive remuneration and conditions -

Exit interviews are conducted when staff leave and improvements made,  
where relevant -

Total points:

% Score:

Learning and Development

Basic

Learning and development strategy -

Orientation/induction conducted for new employees -

All training is documented -

Training needs analysis conducted -

Post training evaluation conducted -

Total points:

% Score:

Intermediate

Learning and development strategy -

Induction training conducted and feedback sought on quality -

A training program is provided for staff which encourages multi-skilling -

Training is consistent with organisational objectives and priorities, and legislative requirements -

Training is linked to performance assessment and management -

All training is documented -

Empowered staff -

Training needs analysis conducted -

Post training evaluation conducted -

Total points:

% Score:

Advanced

Learning and development strategy drives strong learning culture, including leadership development and mentoring -

Learning and development support for staff results in improved staff capabilities -

Induction/orientation training conducted and feedback sought on quality -

Training needs analysis conducted -

Learning program encourages multi-skilling -

Learning and development plans support current role plus succession planning -

Training is consistent with:

* + - CSO objectives and priorities -
    - Roles and responsibilities of staff -
    - Legislative and compliance requirements -

Training is linked to performance assessment and management -

Partnerships with educational and learning institutions -

Development of staff bank for use across several agencies -

Leadership development programs in place -

Training data is documented and maintained -

Staff feel empowered and supported -

Annual learning and development matrix established as per training needs analysis -

Post training evaluation conducted -

Total points:

% Score:

Performance Management

Basic

Expectations on performance levels articulated to staff and documented -

Informal performance appraisal system -

Total points:

% Score:

Intermediate

Expectations on performance levels clearly articulated to staff and documented -

Formal performance appraisal system -

Staff recognition and rewards -

Performance Management process in place linked to the organisation’s Mission -

Timely, corrective action taken to address under-performance -

Total points:

% Score:

Advanced

Strong performance management reporting framework, including measurement of staff performance against management stated expectations -

Formal performance management and appraisal system linked to the organisation’s Mission -

Leadership driving values-based, high performance culture -

Staff recognition and rewards -

360-degree feedback process in place -

Timely, corrective action taken to address under-performance -

Counselling in place to address under-performance -

Total points:

% Score:

Volunteer Management

Basic

Volunteers and community participation are valued and recognised -

Total points:

% Score:

Intermediate

Volunteers are:

* + - Inducted -
    - Supported -
    - Acknowledged -

Register of volunteers -

Compliance with applicable regulations -

Total points:

% Score:

Advanced

Volunteers are:

* + - Inducted -
    - Trained -
    - Supported -
    - Acknowledged -

Specific policies and procedures on volunteers -

Register of volunteers -

Compliance with applicable regulations and Advanced practice -

Total points:

% Score:

Workplace health and safety (WHS)

**Note:** WHS is a highly regulated area, with serious consequences for non-compliance. In addition to this checklist you are urged to consult the relevant legislation and the information provided by WorkSafe Victoria**.**

Basic

WHS Management Systems in place demonstrating that it is improving on its work practices and moving towards a risk management system that has risk identification, assessment and control as the basis for injury prevention -

All personnel have been given the appropriate training in WHS duties -

Incident reporting system, including reporting on near misses -

Personnel identify and report WHS issues and incidents -

Some employee consultation with Health and Safety Representatives and WHS Committee on WHS risks -

Total points:

% Score:

Intermediate

WHS Management Systems in place demonstrating that it is moving towards a safety culture that demonstrates prevention as the primary method of health and safety management -

Risk Management process integrated into WHS system -

Incident/feedback reporting and investigation system, including reporting on near misses -

All personnel have been given the appropriate training in WHS duties -

Personnel trained in key WHS risks -

Personnel identify and report WHS issues which are acted upon -

Regular WHS inspections are conducted in any work environment, including client homes -

WHS discussed at regular staff meetings -

Employee consultation with Health and Safety Representatives and WHS Committee on WHS risks -

Induction in Work Cover claims -

Total points:

% Score:

Advanced

WHS management system includes the identification, management and monitoring of WHS risks demonstrating that it has integrated an injury prevention culture into normal business practices and regularly reviewing its systems through the due diligence process -

WHS management system aligned with AS4801/AS4804 -

Risk Management process integrated into WHS system -

WHS culture including regular reports on health and wellness -

All WHS risks have been systematically identified -

Key WHS risks are managed with treatment plans developed and monitored as part of an integrated risk management framework -

Incident reporting and WHS system includes near misses reporting and is aligned with risk management system with incidents reported, investigated and followed up in a timely fashion -

All personnel have been given the appropriate training in WHS duties -

Frequent WHS inspections in any work environment, including client homes, and reviews are conducted -

Personnel identify and report WHS issues which are acted upon -

WHS is a standing agenda item for staff meetings -

Regular WHS inspections and annual WHS systems audit is conducted -

Regular employee consultation with Health and Safety Representatives and WHS Committee on WHS risks -

Induction in Work Cover claims -

Total points:

% Score:

Communications

Basic

Communication structure in place -

Process for staff complaints/feedback -

Staff meetings held on ad-hoc basis -

Bulletin board/verbal instruction main form of communication -

Total points:

% Score:

Intermediate

Strong communications and feedback structures in place, including weekly/fortnightly meetings, newsletter, etc -

Regular staff meetings -

Process for staff complaints/feedback incorporates an annual Organisational Health Survey with results reported back to staff -

Reporting and communication framework -

Total points:

% Score:

Advanced

Strong staff communications including regular staff meetings and satisfaction surveys -

Formalised meeting structure and processes -

Formal reporting on monthly basis -

Frequent use of a wide variety of communication channels e.g. intranet, newsletters, noticeboards -

Management and staff work together in addressing any problems identified in the Organisational Health Survey -

Strong reporting and communication framework -

Total points:

% Score:

Contractor management

Basic

Contractor briefed on WHS risks prior to commencing work on site -

Contractor performs Job Safety Analysis upon arrival at site -

Contractor regularly supervised by CSO staff/manager -

Contractors certificates and licences are required, where required by law -

Total points:

% Score:

Intermediate

Contractor briefed on WHS risks prior to commencing work on site -

Contract administration system in place -

Contractor performs Job Safety Analysis upon arrival at site -

Contractor regularly supervised by CSO staff/manager -

Preferred supplier list established -

Contractor selection process in place -

Adequate insurance coverage taken by contractors -

Contractors certificates and licences are required, where required by law -

Total points:

% Score:

Advanced

Contractor inducted onto site and briefed on WHS policy, including risks and reporting procedures, and evacuation procedures -

Contract management system in place that tracks key deliverables -

Contractor performs Job Safety Analysis upon arrival at site -

Regular communication between contractor, staff and management in regards to the progress of the work and any risks involved -

Monitoring and supervision requirements established and enacted by management -

Preferred supplier list established -

Contractor selection process in place -

Contractor payment system in place -

Adequate insurance coverage taken by contractors -

Supply chain management -

Contractors hold appropriate professional accreditations or certificates and licences -

Managing adherence/compliance to agreed service levels -

Total points:

% Score:

Risks that threaten objectives and the Controls to minimise risks

Staff turnover/loss of key personnel

* Targeted recruitment and retention strategies
* Rewards and recognition
* Succession planning
* Exit interviews
* Staff satisfaction/culture/engagement survey
* Management/leadership development program
* Workforce development program
* Clarity of roles and responsibilities
* Regular contact with all staff
* Workforce planning
* Competency development
* Performance management system
* Process improvement

Inadequate HR support

* Implement HR management system
* Process improvement and strategic planning initiatives
* Recruitment and retention strategies
* Multi-skilling/multi-tasking
* Workforce planning
* Competency development
* Appropriate technology supports

IR issues/EBA negotiations

* Build relationships with unions
* Commence EBA negotiations early

Poor leadership practices/management and supervision

* Leading the culture from the Board down
* Effective recruitment processes
* Management/leadership development and performance management program
* Reporting framework based on Strategic and Business Plans
* Clear communication of direction
* Educate staff on managing upwards

Staff injuries or illnesses

* WHS management system
* Incident management system
* Staff educational session
* WHS inspections
* Job design
* Re-engineering, where possible
* Contractor safety management system
* Quality management system
* Employee suggestion system
* Staff health policy/practice

Poor staff performance/unproductive staff

* Performance management system
* Reward and recognition
* Effective training and development programs
* Job design
* Process improvement
* Disciplinary system

Poor morale/unmotivated personnel/employee burn-out

* Counselling services
* Staff investigations
* Staff satisfaction survey
* Clarity of roles, responsibilities and expectations
* Team building exercises/development
* Communications structure
* Knowledge management
* Resource/workforce planning
* Training and performance management systems integrated

Lack of communication

* Communication structure
* Communication channels
* Communications matrix and plan regularly reviewed

Lack of competency/skills

* Training needs analysis
* Learning program
* Competency matrix
* Job design

Bullying/harassment

* Bullying and harassment policy
* Employee support program
* Whistleblower policy and process

Inappropriate remuneration

* Award payments
* Clarity of roles and responsibilities – position descriptions
* Industry benchmarking

Increased workers compensation costs

* Return to work process
* Near misses and incidents reported, investigated and drive change

Loss of direction/focus

* Development and empowerment
* Role clarification
* Position description
* Strategic planning

Risks to client wellbeing due to potentially unskilled workforce

* Training needs analysis with agency training planned
* Training and development
* Coaching
* Process improvement
* Providing good communications
* Regular supervision, support, mentoring and feedback
* Develop systems and procedures for uncontrolled environments
* Develop training plan matrix
* Job design

Increased cost of staff working outside normal hours

* Renegotiate agreements
* Process improvements/re-engineering

Lack of flexibility of staff

* Education re: organisational and client value
* Training/up-skilling
* Diversity of roles
* Job design

Ageing workforce

* Review of core business/services/funding levels
* Workforce planning
* Process improvements/re-engineering

Working in isolation without direct support or supervision

* Effective risk management process

Compliance

Victorian Disability Act 2006

Standards for Disability Services in Victoria 2007

DHS Funding and Service Agreement

Victorian State Disability Plan 2002–2012

Equal Opportunity Act 1995

Occupational Health and Safety Act 2004

Model Work Health and Safety Act

Occupational Health and Safety Regulations 2004

Equal Opportunity for Women in the Workplace Act 1999

Equal Opportunity Act 2010

Public Sector Management and Employment Act 1998

Racial Discrimination Act 1975

Sex Discrimination Act 1984 – see also Sex Discrimination Amendment Bill 2010

Workers Compensation Act 1996

Workplace Relations Act 1996

Whistleblowers Protection Act 2001

**Resources**

[OHS Management System Audit checklist](http://www.nds.org.au/projects/article/69#practical) developed as part of this project. This resource identifies gaps in the OHS Management System which pose a risk to employees. Once these gaps have been identified, measures can be planned and implemented to ensure that workplace hazards are effectively managed.

[OHS Home Visit Checklist](http://www.nds.org.au/projects/article/69#practical) developed as part of this project. This resource identifies the potential OHS hazards for staff working in homes, supports risk assessment of those hazards and the implementation of appropriate controls. The checklist can be adapted or incorporated into existing organisational resources. Its relevance will depend on variables including: the nature and range of services provided, the size of the organisation and composition of staff and risk management processes already in place.

[www.DisabilitySafe.org.au](http://www.DisabilitySafe.org.au)

[Worksafe Victoria](http://www.worksafe.vic.gov.au)

[Victorian Employees Chamber of Commerce](http://www.vecci.org.au)

Comments, additional risks and controls

Client and Market Focus

Objectives

Delivering quality services in a respectful manner, enabling people with a disability to:

Pursue individual lifestyles

Participate in the community

Influence and strengthen the disability services workforce

Sub-Elements

Client Satisfaction and Communications

Client Service Delivery

Managing Behaviours of Concern

Marketing and Reputation

Key Stakeholder Management

**Client satisfaction and communications**

Basic

Clear and accessible client interfaces and feedback mechanisms including the establishment of Client Councils or Consumer Committees with allowance for independent support -

Client enquiries and feedback process in place -

Complaints process that is accessible, fair, equitable and transparent as outlined in the Victorian Disability Act 2006 -

Management and communication of client complaints/enquiries to involved staff -

Client expectations managed through service plan -

Constant review of programs to meet client needs/requirements -

Regular reporting against client outcomes -

Total points:

% Score:

Intermediate

Clear and accessible client interfaces and feedback mechanisms including the establishment of Client Councils or Consumer Committees with allowance for independent support -

Client enquiries and feedback process in place -

Complaints process that is accessible, fair, equitable and transparent as outlined in the Victorian Disability Act 2006. -

Management and communication of client complaints/enquiries to all involved stakeholders -

Regular contact with parents, families and/or carers, as appropriate -

Business partnerships -

Client expectations managed -

Constant review of programs to meet client needs/requirements -

Regular reporting against client outcomes -

A culture of value and respect for colleagues is fostered -

Client surveys conducted -

Client support planning -

Total points:

% Score:

Advanced

Strong client engagement and communication strategies including the establishment of Client Councils or Consumer Committees with allowance for independent support, regular feedback mechanisms, training opportunities and knowledge of their rights under the Disability Act and Victorian Charter -

Clear and accessible client feedback processes including in person and online access

Provision of correct and timely information -

Complaints process that is accessible, fair, equitable and transparent, as outlined in the Victorian Disability Act 2006 -

Active management of client complaints/enquiries including communications and feedback processes -

Regular contact with parents, families and/or carers, as appropriate -

A culture of value and respect for colleagues is fostered -

Client survey to understand client needs and diversity, their concerns and requirements, and to encourage input for future service planning -

Mechanisms such as Client Councils or Consumer Committees in place to encourage feedback and improvement process -

Demographic modelling is conducted to understand future needs of community

Client relationship management system in place -

Information obtained through client surveys/complaints informs continuous quality improvements within the organisation -

Client support planning -

Meeting client needs/expectations -

Total points:

% Score:

Client service delivery

Basic

Knowledge of product and services offered -

Pricing process for products offered is clear and transparent -

Realistic promises on ability to deliver services -

Availability of interpreters, if required -

Total points:

% Score:

Intermediate

Good knowledge of products and services offered -

Individualised and flexible product offerings - include online service delivery -

Pricing process for services and/or products is clear and transparent -

Client support plans involve programs for educating the public on accommodating/integrating persons with a disability into the community -

Client support plans identify who can speak for the client -

Realistic promises on ability to deliver services and/or products -

Values and beliefs underpinning service delivery articulated in client communication -

Recommendations made to client for alternative community service organisations which may better meet the needs of a person -

Feedback provided to support users and family members regarding the outcome of the service delivery monitoring and review process, as appropriate -

Availability of interpreters, if required -

Total points:

% Score:

Advanced

Very good knowledge of products and services offered -

Client service charter/policy in place -

Individualised and flexible product offerings --Include online service delivery -

Pricing process for services and/or products offered is clear and transparent -

Client support plans involve programs for educating the public on accommodating/integrating persons with a disability into the community -

Client support plans ensure that if the person with a disability cannot speak for themselves there has been a process followed to identify the person who can speak for them -

Realistic promises on ability to deliver services and/or products -

Values and beliefs underpinning service delivery articulated in client communication -

Recommendations made to client for alternative community service organisations which may better meet the needs of a person -

Community/stakeholder consultation undertaken in respect to the development of new facilities and services -

Strategic Plan for service delivery considers demographic movement and likely  
demand -

Feedback provided to support users and family members regarding the outcome of the service delivery monitoring and review process, as appropriate -

Availability of interpreters, if required -

Total points:

% Score:

Managing behaviours of concern

Basic

WHS management system includes the identification, management and monitoring of behaviours of concern -

All personnel have been given the appropriate training in managing behaviours of concern -

Incident reporting system, including reporting on behaviours of concern -

Personnel identify and report behaviours of concern issues and incidents -

Some employee consultation with Health and Safety -

Representatives and WHS Committee on behaviours of concern issues -

Total points:

% Score:

Intermediate

WHS management system includes the identification, management and monitoring of behaviours of concern -

Behaviours of concern systems and processes integrated into the risk management process -

Incident/feedback reporting system, including reporting on behaviours of concern -

All personnel have been given the appropriate training in managing behaviours of concern -

Personnel identify and report behaviours of concern issues which are acted upon -

Behaviours of concern discussed at regular staff meetings -

Employee consultation with Health and Safety Representatives and WHS Committee on behaviours of concern issues and risks -

Total points:

% Score:

Advanced

Advanced WHS management system includes the identification, management and monitoring of behaviours of concern issues and risks -

Behaviours of concern systems and processes integrated into the risk management process -

Behaviours of concern culture including regular reports on health and wellness -

All behaviours of concern have been systematically identified -

Key behaviour of concern risks are managed with treatment plans developed and monitored as part of an integrated management framework -

Behaviour of concern reporting and systems are aligned with risk management system with incidents reported, investigated and followed up in a timely fashion -

All personnel have been given the appropriate training in behaviours of concern duties -

Personnel identify and report behaviours of concern issues which are acted upon -

Behaviours of concern is a standing agenda item for staff meetings -

Regular employee consultation with Health and Safety Representatives and WHS Committee on behaviours of concern issues and risks -

Total points:

% Score:

Marketing and reputation

Basic

Clear, easy to read marketing/promotional/materials -

Marketing/promotional/materials provided accurately describing products and services -

Professional, clear English (and languages other than English) information provided to client in accessible format -

All client communications (written and verbal) in line with marketing policy and checked for style, content, language and tone -

Total points:

% Score:

Intermediate

Annual Marketing Plan includes provision of clear, easy to read marketing/promotional/materials -

Informative and useful website -

Professional, clear English (and languages other than English) information provided to client in an accessible format -

Marketing/promotional/materials provided accurately describing products and services -

All client communications consistent with marketing/promotional/policy and procedures and checked for style, content, language and tone -

Some market research is undertaken to determine preference for type of service and/or product -

Some marketing/promotional/events are held -

Total points:

% Score:

Advanced

Medium-term Marketing Plan (three-year outlook) includes provision of clear, easy to read marketing/promotional/materials -

Informative and useful website -

Professional, clear English (and languages other than English) information provided to client in accessible format -

Marketing/promotional/materials provided accurately describing products and services -

All client communications consistent with marketing/promotional/policy, procedures and planning and checked for style, content, language and tone -

Market research and community consultation results feed into strategic Marketing/Promotional/Plan -

Marketing/promotional/events are held on a regular basis with a calendar of events established -

CSO recognised as active and involved community member/stakeholder -

Total points:

% Score:

Key stakeholder management

Basic

Some consultation with clients/families/carers with respect to service provision -

Some liaison with relevant government agencies and local government -

Total points:

% Score:

Intermediate

Regular contact with families and carers -

Links to community and local government -

Business and community partnerships -

Build partnerships across all levels of government/public service -

Some liaison with business and industry stakeholders -

Total points:

% Score:

Advanced

Regular contact with families and carers as appropriate -

Clients, families and carers consulted on changes to sector and part of decision  
process -

Families and carers involved in strategic direction planning meetings -

Strong links to community and funders with regular consultation meetings -

Sector participation in service benchmarking -

Business and industry connections and partnerships -

Build partnerships across all levels of local government/public service -

Relevant government agency representatives included strategic planning -

Climate monitoring (i.e. trends in the industry/communicating with stakeholders/interlocutors, formal network) -

A communications framework is developed for all community stakeholders -

Stakeholder management part of Strategic Plan -

Total points:

% Score:

Risks that threaten objectives and the Controls to minimise risks

Damage to reputation/adverse publicity

* Communications framework and education for stakeholders
* Community events
* Effective risk management framework, including incident reporting and claims monitoring processes
* Crisis Communication Plan

Reputation damage due to mix of packages which reduce capacity to cross-subsidise

* Forecasting types of service required
* Organisational analysis of financial circumstances of organisation and sustainability

Not meeting community needs

* Market analysis/research
* Demographic studies

Ineffective/inefficient service delivery

* Client satisfaction surveys
* Community liaison groups
* Policies and procedures
* Client complaint system
* Strategic planning

Economic downturn

* New and emerging products and services
* Product/service diversity
* Marketing/promotional processes
* Review of asset management and investment approach
* Stakeholder engagement

Poor communication with clients

* Compliance with Client Communication Strategy
* Clear and accurate brochures
* Training/induction in product knowledge and client service

Client does not understand administrative overhead costing

* Effective information management system
* Transparent costing to client
* Agreed baseline operation for cost within package
* Clear, easy English language reading materials
* Interpreters

Client dissatisfaction, Poor sales

* Marketing/promotional process
* Client Communication Strategy
* Review of cash/resource forecasts
* Client feedback processes
* Acting within agreed timeframes
* Effective risk management framework, incident reporting and claims monitoring processes
* Education/induction/orientation of programs
* Good clear contracts and discussions minuted
* Monitor relationship and service delivery
* Monitoring processes
* Strong complaints management system and process
* Culture which values complaints and regards them as key to organisational improvement
* Continuing education of programs
* Contracts and discussions minuted
* Monitor relationship and service delivery
* Realistic/robust planning
* Delivering to promise
* Understanding client needs upfront
* Clear, easy English language reading materials

Ineffective policies, procedures and personnel related to billing and collection activities

* Periodic monitoring and review

Inaccurate and/or untimely information management

* Effective information management system

Client expectations mismatched with service capability

* Clear definition, communicate to staff and visit regularly with staff
* Strategic planning
* Clearly identified client group
* Clients who cannot be provided with a specialised service referred to other CSOs
* Appropriate planning
* Understand needs upfront
* Providing skilled/competent staff

Increased risk of injury

* Pre-activity risk assessment process
* Risk assessment and management
* Compliance with regulatory requirements

Unmet and unnoticed need

* Thorough needs assessments conducted

Plans not approved by DHS

* Plans to link with organisation’s Mission and Values

Loss of cohesive coordination

* Guidance and education programs from agency, checking in on client constantly
* Define service model

Competitive market place

* Understand competitors
* Understand client value
* Define value proposition

Lack of sales/adequate marketing skills

* Develop sales/promotional expertise
* Formulate marketing/sales/promotional strategy
* Define marketing competency gaps and develop plan to address those gaps
* Understanding of clear market segmentation and positioning of business model
* Pricing/costing model incorporates marketing element

Client outcomes not met

* Action plans and internal reviews
* Gant charts reminders of review cycles
* Progress against goals monitored consistently
* Recognise goals can change

Dignity of risk

* Policy and staff training

Client self-directing supports, including WHS/Quality/Travel risks

* Risk assessment

Inadequate safeguards /injury to Client

* Education of clients/families/carers on support provision, including information provision throughout planning process

Lawsuits and WorkCover claims

* WHS management system

Compliance

Victorian Disability Act 2006

Standards for Disability Services in Victoria 2007

DHS Funding and Service Agreement

Victorian State Disability Plan 2002–2012

Occupational Health and Safety Act 2004

Occupational Health and Safety Regulations 2004

Resources

[Marketing Plan](http://www.nds.org.au/projects/article/69#practical) resource developed as part of this project: supports the development of a marketing strategy for disability services to attract new as well as retain existing service users.

[Customer Service Institute of Australia](http://www.csia.com.au)

[Scope (VIC) Ltd](http://www.scopevic.org.au):

Bridging Project – Managing Behaviours of Concern

Assessment kit

Resources for behaviours of concern

Comments, additional risks and controls