

NMLL's 2019-2022 Risk Management Plan

Probability

Almost certain
 Very likely
 Possible
 Unlikely
 Rare

Impact

Insignificant
 Low
 Medium
 High

Risk ratings

Low: little or no operational impact
 Moderate: NMLL's operationally impeded
 Significant: NMLL would struggle to operate
 Extreme: NMLL could not operate

Risk Rating Matrix		Impact			
		Insignificant	Low	Medium	High
Probability	Almost certain	Moderate	Significant	Extreme	Extreme
	Very likely	Moderate	Moderate	Significant	Extreme
	Possible	Low	Moderate	Moderate	Significant
	Unlikely	Low	Low	Moderate	Moderate
	Rare	Low	Low	Low	Moderate

Risk rating

Risk	Probability	Impact	Risk rating	Strategies to reduce risk
Governance				
CoMgt is un supportive and or disengaged	Possible	High	Significant	Selection via EOI, discussion, value alignment Seek minimum of two-year commitment
High annual turnover of CoMgt	Possible	High	Significant	Seek minimum of two-year commitment

Business Performance				
Lack of business growth	Very Likely	High	Extreme	Increased enrolments in SF and AMEP Additional ACFE SCH Engagement of recruitment broker for SF Business development: corporate sponsorship. Ensure needs are identified, understood and met Reconsider Marketing Plan and USP and implement New and additional services addressing expressed demand.
Community needs not being identified	Possible	Medium	Moderate	Active networking with key organisations Use events and CLC to reach out to and engage new and disengaged communities and groups. Meaningful community consultation
Loss of students (e.g. due to competition from other RTOs and LLOs)	Possible	High	Significant	As above.
Redevelopment in Nth Melb area: lack of voice	Possible	Medium	Moderate	Build strong links with VPA, City of Melbourne. Broaden the NAC's representation and influence
Education				
Pre- training Review inadequate (compliance)	Unlikely	High	Moderate	Review to comply with 2019 SF contract Incorporate PTR in NMLL procedures
Enrolments below target	Very likely	High	Extreme	Rolling enrolments to ensure targets are met Engage an ethical broker Seek larger class rooms Targeted and relationship marketing strategies
High withdrawal rate	Very likely	High	Extreme	Monitor students weekly attendance: follow up on absences Identify reasons for non-commencement after enrolment and withdrawal during study. Develop strategies means to encourage attendance
Lack of evidence to demonstrate AQTF standards	Possible	Medium	Moderate	Improve evidence collection particularly validation, and evidence of staff PD.

(compliance)				
Non-compliance with Skills First contract (compliance)	Possible	Medium	Moderate	Align Policies and procedures with contract, CI register, ensure evidence collected against standards. Robust internal audit check.
Lack of evidence to demonstrate implementation of Change Notices (applies to SF contract). (compliance)	Possible	Medium	Moderate	Improve evidence collection: maintain procedure history Maintain up to date Continuous Improvement Register
Employment of unqualified staff (compliance)	Unlikely	High	Moderate	Application of VRQA/ASQA compliant employment selection and approval process. Annual collection of teachers qualifications and PD
Failure of RTO audit (compliance)	Unlikely	High	Moderate	Robust Policy and procedures (P&P) Organisational wide implementation of P&P Business processes embedded in Policy and Procedures On time submission of all documentation Implementation of Change Notices Continuous collection of evidence
Financial				
Loss of current SF funding contract in 2020	Possible	High	Significant	NMLL to comply with all funding requirements, maintain standards and provide accurate financial reports and accountabilities. NMLL to ensure annual income is from multiple funding sources and new opportunities continuously sought Maintenance of financial viability Develop alternative funding sources
Loss of current ACFE funding	Unlikely	High	Significant	NMLL to comply with all funding requirements, maintain standards and provide accurate financial reports and accountabilities. NMLL to ensure annual income is from multiple funding sources and new opportunities continuously sought Maintenance of financial viability Develop alternative funding sources

Loss of CD events position	Possible	High	Significant	Seek multi-year project funding Seek ongoing corporate sponsorship
Medium to large scale Fraud	Rare	High	Moderate	Financial procedures have been implemented to reduce the likelihood of financial loss through fraudulent activities. Accounts are audited annually by a Certified Practicing Accountant in accordance with the Australian Accounting Standards. Strict adherence to the delegations as per Instrument of Delegation.
Unexpected budget items and cash flow problems	Unlikely	High	Moderate	Maintain a cash reserve buffer to cater for unexpected material expenses or events. Manager to monitor the operating account on a regular basis to ensure sufficient funds are always available to meet current liabilities and expenditure. Improved internal practices to avoid delayed invoicing.
CD program expenditure exceeding budget	Possible	High	Significant	Monthly monitoring of each Project's expenditure against its budget Use of costing tool to ensure each project is properly costed and priced All program expenditure is monitored on a monthly basis to ensure adherence to budgets. In the event of programs going over budget they are then assessed on an individual basis to determine their ongoing viability.
Some projects have inadequate funding for infrastructure costs	Possible	High	Significant	Additional margin to be added to infrastructure to projects as possible. Minimize infrastructure as possible. Use of costing tool to ensure each project is properly costed and priced Projects unable to support minimum infrastructure are not entertained.
Community Development				
Too many small budget projects	Very Likely	Medium	Significant	Consider not applying for small grants Consider not accepting grants that are inadequate for the requested purpose

				In general refuse projects below \$10,000
Too much time on admin, too little time for CD	Very Likely	Medium	Significant	Amalgamate events & activities Join with similar organisations offering similar events: potential pool resources. Develop simpler projects that match resources available. External engagement and networking
Failure to build connections with communities	Possible	High	Significant	Prioritise relationship building
Facilities and organizational systems				
IT system failure	Possible	High	Significant	Map IT architecture: adequate maintenance regime; maintain and update virus and firewall; daily backup. Investigate Cloud based Invest in backup server Preventative maintenance Daily back up with backup drive stored offsite.
Inadequate knowledge management	Almost certain	Medium	Extreme	Revise S drive; implement business rules to capture relevant materials. PD on IP and copyright right Develop knowledge management Clarify record retention procedures
Cataclysmic event: fire, building collapse. Long term loss of power	Unlikely	High	Moderate	Disaster recovery plan Business continuity strategy
Staff				
Significant staff turnover	Possible	Medium	Moderate	Retain or improve NMLL employment conditions Consider DGR status in business growth strategies

				Recognition and engagement strategies Professional respect Open communication Ensure professional development
Loss of staff engagement	Unlikely	High	Moderate	Open communication Provide flexibility to meet family and personal needs Ensure prompt resolution of problems Access to at least one professional development activity per year Offer permanent ongoing employment to teachers as delivery allows.
Unplanned or short notice loss of expertise in key areas	Possible	High	Significant	Succession planning in key areas Implement cross skilling in key areas in NMLL and across INC: Wisenet and SF data uploads/ACFE/ARMS Teaching: maintain current Retain or improve NMLL employment conditions

Risk	Probability	Impact	Risk rating	Strategies to reduce risk
Health warning				
Second sewerage flood	Possible	High	Significant	Early advice to DHHs of internal leaks for maintenance Persistence in ensuring maintenance request is actioned Ensure DHHs have key To reduce organizational damage <ul style="list-style-type: none"> • Move archival records off floor • Move archival records from known leak sources
Significant heatwave	Possible	High	Significant	Provide health advice to staff and students Flexible working arrangements Vent the North facing gall corridor After lease in placed seek approval to grow deciduous plants along north wall.

Pandemic	Possible	High	Significant	<p>Develop local policy</p> <p>Subscribe to official health warning services. Implement advice</p> <p>Provide advice to community in local languages as possible.</p> <p>Distribute local flyers</p> <p>Devise promotional strategy: facilitate word of mouth communication of key message via students. Use NMLL FB.</p> <p>Ensure students subscribe to NMLL Facebook</p> <p>Advocate local needs to relevant officials and decision makers.</p>