



Risk Management and Risk Register

Principal Australia Research Foundation's (PARF) Board undertook a lengthy process to develop, and is now implementing, a risk management plan. Starting point for identifying and defining risks was PARF's strategic plan. Risks assessed potentially could impinge on achieving the plan.

Principles followed:

1. Standards Australia general protocols for risk management guided the structure and focus of the risk register. Risks were described, Consequences/Implications were assessed as were Probability/Likelihood allowing a matrix to be drawn and ratings assigned then consequent focus on important risks with substantial consequences if the event occurs.
2. Risks must be sufficiently defined to allow targeted management steps to be agreed.
3. Using escalating consequences if the risk event occurs, makes it easier to focus on the important risks.

The Board used the following risk matrix.

Probability/Likelihood of a risk event occurring:

1. Conceivable in rare circumstances.
2. Unlikely to happen
3. Possible/Could happen
4. Likely and probably frequent.
5. Almost certain.

Consequences/Implications of a risk:

1. Insignificant
2. Minor
3. Moderate
4. Major
5. Extreme.

How these concepts work together

Adding likelihood and consequence scores identified high, medium and low risks.

Control strategies were identified to minimise the consequences or implications of a risk and responsibility for actions were assigned.

The Board determined when the risk management plan will be reviewed.
August 2021.