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		<u>SOP Number:</u>		002		
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Reviewed By:	Governance Committee	Next Review Due		Feb 23		
Approval:	Chamber Executive	Signed: <i>Bill Murphy</i>				

Management of Risk and Fraud Control

1. Purpose

Describe the process for identifying, assessing and managing potential risk to the Chamber and including methods of determining and controlling the risk of fraud.

Any incident whether it causes harm, results in impropriety or is a fraudulent act, exposes the Chamber and in particular, the Executive to potential of legal action. Fraud robs the Chamber of its credibility and ability to support business and community activities

2. Scope

This SOP is applicable to and is to be used by all Executive Members, Committee members, Chamber members, Web master and all Employees. No exemptions are granted for this SOP.

3. Prerequisites

The Chairman of the Governance Committee and President will develop and maintain an education and implementation plan to minimise and manage risk. External consultation and review should be considered to ensure the highest level of control.

4. Responsibilities

The Chairman of the Governance Committee is responsible to the President for ensuring that the highest level of risk management and fraud control are implemented and maintained. Each person listed in the scope is responsible to ensure that they uphold the Chamber Code of Ethics and comply with this SOP.

5. Procedure

Control of Risk and Fraud involves the following steps:

- (a) Prevention,
- (b) Detection,
- (c) Reporting,
- (d) Initial assessment, and
- (e) Establishment of management plans.


5.1 Prevention

Prevention relies on a thorough assessment and establishment of potential risk database and degree of impact. Education enables better identification of potential or actual risk or behaviours that may indicate fraud. Risk assessment process is contained in annex A to this SOP.

5.2 Detection

Early detection requires the following:

- (a) Establishment of a single trusted point for reporting. For the purpose of this SOP, the Chairman of the Governance Committee is the single point for reporting.

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(b) Establishment of a management plan for high risk activities including financial management and unauthorised use of Chamber property.

(C) Routine review of Chamber procedures, finances and documentation to ensure compliance with current regulations, rules and best practice, and

(d) Ongoing education to ensure those listed in the Scope are aware of risk management, impact of fraud and signs of fraudulent behaviour.

5.3 Reporting

Early detection of fraud is often as a result of observed changes in behaviour or a high index of suspicion. All Chamber members, employees and contractors should feel safe in discussing their suspicions or confidentially reporting. Where a Chamber member or employee does not feel comfortable in reporting their suspicions they may choose to speak to a member of the Chamber Executive, the Police or member of the clergy. Where an Executive member, Chamber member or employee is advised that there may be fraudulent activity in relation to Chamber business, that person is to advise the Chairman of the Governance Committee or police as soon as practical.

Where a risk that does not involve fraud, misappropriation or other potentially criminal act is identified, the Chairman of the Governance Committee is to advise the Chamber President as soon as possible.

5.4 Initial Assessment

The Chairman of the Governance Committee is to conduct an initial assessment of any report of risk or potential crime to determine an immediate course of action. Identified risks not of a potential criminal nature are to be managed in accordance with Annex A.

Potential criminal acts are to be reported to the police. The Chairman of the Governance Committee and the Executive are to facilitate a police investigation by providing any documents, records and information required.

5.6 Establishment of Management Plans


Management plans for high risk activities are shown in Annex B to this SOP.

6. References

- (a) AS 8001-2008 Fraud and Corruption Control
<http://www.diycommitteeguide.org/article/new-diy-committee-guide-launched>
<http://www.business.vic.gov.au/disputes-disasters-and-succession-planning/how-to-manage-risk-in-your-business/prepare-a-risk-management-plan>
- (b) Chamber Code of Ethics
(c) Chamber Business Rules Section 6, Operations Business Rules
(d) Chamber Business Rule 10, Control of Finances

7. Definitions

(a) Risk: a potential to gain or lose something of value as a result of an action or inaction either foreseen or unforeseen. The potential result can range from minor to


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catastrophic (For more information see: <https://en.wikipedia.org/wiki/Risk>).

(b) Fraud: In [law](#), **fraud** is [deliberate deception](#) to secure unfair or unlawful gain, or to deprive a victim of a legal right (<https://en.wikipedia.org/wiki/Fraud>)

Annex:

- A. Risk Assessment Process
- B. Management Plans for High Risk Activities

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ANNEX A TO
SOP 003

Risk assessment process¹

A risk assessment is the process of identifying all reasonably foreseeable hazards and assessing the risks associated with a particular activity, task, item or product to specify control measures that will either eliminate or reduce the risk so far as is reasonably practicable as outlined by Safety Standard Risk Management.


A hazard is anything that has the potential to cause injury or disease to people, damage to the environment, property, plant or equipment.

A risk is the chance of the hazard actually causing an injury, illness or disease or damage/loss to plant/equipment or property.

Steps:


1. Complete the risk assessment scope.
2. Complete hazard identification and risk assessment.
 - a. Identify all reasonably foreseeable hazards associated with the activity, task, item or product described.
 - b. Describe the potential risk attached to each hazard identified.
 - c. Assess the likelihood of identified risks without controls using the risk matrix.
 - d. Specify risk control measures to eliminate or reduce the level of risk using the hierarchy of controls.
 - e. Assess the likelihood of identified risks with controls using the risk matrix for a residual risk rating.
3. Complete the recommended actions table summarising the proposed risk controls, area accountable from action, responsibility for implementation, and timeframe for completion.
4. Review the risk assessment and evaluate the effectiveness of the risk control measures.
5. Manager retains a copy of the risk assessment and emails a copy to the Health and Safety Unit (healthandsafety@industry.nsw.gov.au).
 - a. Risk assessments must be retained for 5 years.

¹ <https://www.industry.nsw.gov.au/data/assets/word.../Form-Risk-Assessment.doc>

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Risk assessment scope

Title of task being assessed:	
Assessment location:	Assessment date:
Persons completing risk assessment	Signature
Describe the activity/ task/ item/ product :	
Documents referenced (including manufacturers manuals, standards, codes of practice and any relevant legislation):	

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Hazard identification and risk assessment


Ref no.	Hazard description <i>(i.e wet floor)</i>	Risk description <i>(i.e slip on floor)</i>	Initial risk rating	Proposed risk controls <i>(i.e mop the floor and place wet floor hazard signage)</i>	Type of risk control <i>(Hierarchy of controls)</i>	Residual risk rating
1						
2						
3						
4						
5						
6						
7						
8						
9						

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Recommended actions summary


For each proposed risk control, provide a recommended action and allocate a responsible person and time frame in consultation with that person. Completion confirmation is required for each action.

Ref no.	Recommended action	Accountable area	Responsible person	Target completion date	Actual completion date
1					
2					
3					
4					
5					
6					
7					

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Review

Control measures have been reviewed and no further risks have been identified Yes <input type="checkbox"/> No <input type="checkbox"/>		Are further reviews required? No <input type="checkbox"/> Yes <input type="checkbox"/> When:	
Manager/ supervisor name:		Manager/ supervisor signature:	
Date:			
Record of subsequent reviews.			
Review date:	Reviewed by:	Description of any changes:	

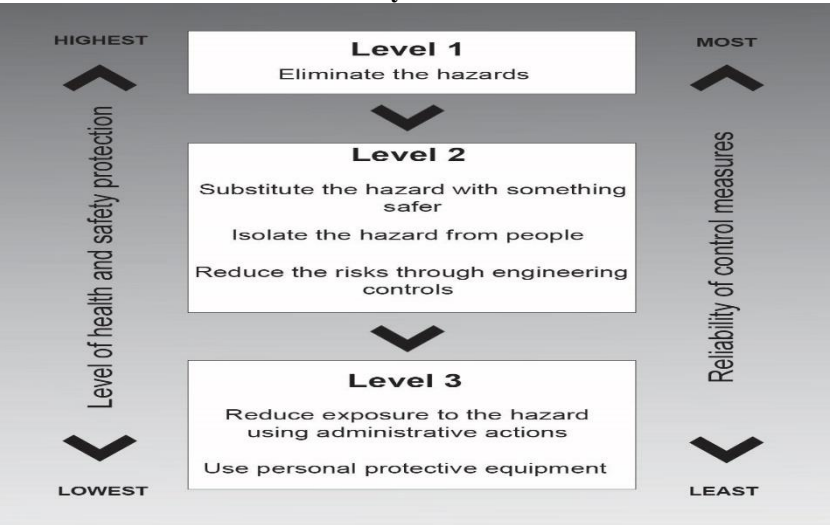
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Resources

WHS Risk Matrix

		Severity - Consequences				
		1	2	3	4	
		Kill or Disable	Serious injury - long term illness	Medical treatment - several days off	Minor first aid	
Probability - Likelihood	A	Very likely - could happen anytime	1A	2A	3A	4A
	B	Likely - could happen sometime	1B	2B	3B	4B
	C	Unlikely - could rarely happen	1C	2C	3C	4C
	D	Very unlikely - could happen, but probably never will	1D	2D	3D	4D


Hierarchy of Controls



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Examples of potential hazards in a workplace

Work tools hazards	Workplace/ environmental hazards	System hazards	People hazards
Vehicles at the workplace/ work on or by roads	Fall through or off floor/ ceiling/ roof/ structure/ equipment	Using damaged or out of date gas cylinders	High or sudden force exerted in a manual task
Using faulty (damaged) electric leads and tools	Poor visibility/ poor lighting	Gas cylinders are not upright and secure	Bending, twisting or turning while carrying loads
Noisy plant and equipment	Working on unstable/ uneven terrain (collapse, mud, steep)	Chemical spill	Moving unstable loads e.g. half full seed bags
Contact with high pressure air	Working with animals	Working alone or in isolation	Using heavy hand held tools e.g. grass slasher
Inappropriate interlocking devices available	Struck by or ingestion of windblown particles	SDS not available or not current	Repetitive or sustained force in a manual task
Crane/ mobile plant overturn	Exposure to biological hazards/ needle stick injury	Access/ egresses are obstructed	Exposure to vibration or friction
Plant/ equipment guarding is inadequate	Disturbance or contact with asbestos	Leads and hoses are across access routes	Handling heavy or bulky loads
Using defective pressure gauges	Entering a confined or restricted space	Fall from unsecured ladder	Using an awkward or sustained posture
Struck by debris from grinding/sawing operations	Contact with cold/ heat, working with cold/ hot materials	Fall from height due to inadequate edge protection	Using poor work ergonomic posture
Contact with/ caught between moving plant/ parts	Exposure to fire in the workplace	Equipment/ building not fitted with (RCD)	Use of PPE not fit to the worker
Plant/ equipment is not serviced or maintained	Severe weather conditions	Electric leads tied to metal rails	Completing task with medical or work restrictions
Contact with materials being positioned	Contact with underground or overhead cables	Repairing plant while electricity is live	Workers not trained, competent or experienced
Safe weight limits exceeded/ no controls marked	Exposure during radiation dose or contamination	Excessive exposure to noisy areas and equipment	Workers not adhering to PPE requirements
Lock out/ tag out provisions not in place	Exposure to lasers, arc welding	Exposure to hazardous chemicals	Carrying out work they are not employed to do
Machine controls functional and labelled	Struck by falling/ protruding objects	Exposure to biological pathogens/ organisms	Not evacuating the workplace when the alarm sounds
Emergency stops not installed or marked	Exposure to sun	Procedures/ risk assessments no longer applicable	Doing live electrical work they are not approved to do
Electric leads on ground in damp conditions	Working on slippery surfaces	Emergency alarms isolated during normal hours	Not attending health monitoring appointments

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ANNEX B TO
SOP 003


Management Plans for High Risk Activities

High risk activities for the Gulgong Chamber of commerce are:

- (a) Management of Cash and
- (b) Negligent discharge of duties.


Other activities may present a risk but are likely not to be such that the integrity of the Chamber will be adversely affected.

The Risk Assessment is contained on the next Page.

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Risk Assessment

Title of task being assessed:	
<ol style="list-style-type: none"> Management of Cash Management of unacceptable behaviour bringing the Chamber in disrepute 	
Assessment location:	Assessment date: Sep 17
Persons completing risk assessment	Signature
Paul Fookes, Member	
Rowena Ellis, Treasurer	
Describe the activity/ task/ item/ product:	
<ol style="list-style-type: none"> Cash is managed by the Chamber Treasurer, Chairman of the market Committee and other authorised Chamber representatives A person acting on behalf the Chamber may intentionally or unintentionally by act or omission, bring the Chamber into disrepute 	
Documents referenced (including manufacturers manuals, standards, codes of practice and any relevant legislation):	
Chamber Code of Ethics and Code of Conduct	TOR and DS Market Committee
Chamber Business Rules	
MYOB user guide	

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Hazard identification and risk assessment


Ref no.	Hazard description <i>(i.e wet floor)</i>	Risk description <i>(i.e slip on floor)</i>	Initial risk rating	Proposed risk controls <i>(i.e mop the floor and place wet floor hazard signage)</i>	Type of risk control <i>(Hierarchy of controls)</i>	Residual risk rating
1	Cash accounts - receiving and expending cash	Risk of misappropriation or theft	4B	Personnel handling cash are to be authorised by Treasurer and have unique numbered cash receipt book. Cash is to be reconciled at least monthly and during any audit Cash and negotiable instruments are to be banked at the first available trading day after receipt. Receipts are to be issued for all cash received and received for all expenditure.	Level 3	4D
2	Negligent discharge of duties	Bring the Chamber into disrepute. A Chamber member may by act or omission, bring the Chamber in to disrepute by acting contrary to the Chamber Codes of Ethics, Practice and Conduct. A member may not execute his duties in accordance with the Constitution or Business Rules.	2B	Ensure that members are elected in accordance with the business rules. Governance Committee to be advised of any suspicious activity. When members act inappropriately, they are to be cautioned by President. Repeated violators will be removed from position in Chamber Education of Office Bearers and Committee members	Level 3	4C

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Approval:	Chamber Executive	Signed: <i>Bill Murphy</i>			

Recommended actions summary

For each proposed risk control, provide a recommended action and allocate a responsible person and time frame in consultation with that person. Completion confirmation is required for each action.

Ref no.	Recommended action	Accountable area	Responsible person	Target completion date	Actual completion date
1	Cash management using standard best practice	Finance committee	Treasurer	Jan 18	
2	List of authorised cash holders to be maintained	Executive	Treasurer	Nov 17	
3	Education program developed and implemented	Governance Committee	Chairman	Dec 17	
4	Education of Executive members on management of unacceptable behaviour	Governance Committee	Chairman	Dec 17	
5	Conduct elections in accordance with constitution and Business Rules	Executive	President	Next AGM	
6	Ensure that any breaches of the Chamber Codes are managed promptly	Executive	President	Ongoing	

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Review

Control measures have been reviewed and no further risks have been identified Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		Are further reviews required? No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> When: Sep 18	
Manager/ supervisor name: W. (Bill) Murphy, President <i>Bill Murphy</i>		Manager/ supervisor signature: <i>Bill Murphy</i> Date: Sep 17	
Record of subsequent reviews.			
Review date:	Reviewed by:	Description of any changes:	