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Education and Training

# **RISK MANAGEMENT and AUDIT PLAN**

**2008 - 09**

## Preface

This report summarises the significant risks identified by the Department for the 2008-09 financial year. The likelihood and consequence of the risks have been based upon an assessment by Department personnel using the Department of Education and Training (DET) Risk Management Framework and in accordance with the current Australian New Zealand Standard on risk management (AS/NZS 4360:2004).

This risk assessment is not by nature a detailed control review or audit and as such, cannot provide assurance that all risks have been identified. Continual monitoring of the risks and their commensurate treatment and/or mitigation is both a management responsibility and a requirement of any comprehensive risk management program as prescribed by the Department's risk management framework.

This report is made available for the internal use of the management of the ACT Department of Education and Training only and should not be relied upon by any external party without the written approval of the Department.

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# 1 Introduction and overview

## 1.1 Why business risk?

A high level business risk assessment of the Department's operations provides both the Executive and Audit Committee with an overview of the key and significant risks facing the Department.

This assessment also assists the Executive in ensuring the appropriate elements of a corporate governance framework are maintained. Business risk assessment is viewed as an important tool during the strategic and business planning cycles to assist in prioritising resource allocation and/or strategic focus.

In setting up a business risk assessment exercise, it is important to:

- adopt a consistent framework for data gathering
- engage with a wide range of management and staff through interview and consultation
- review departmental business plans to distil key risks.

This document is the overarching Risk Management and Audit Plan (RMAP) for the Department and consolidates and distils key risks from all directorates and units of the Department.

## 1.2 What is a Risk Management and Audit Plan?

This Risk Management and Audit Plan contains two key elements. The first is the risk management plan that outlines an action plan for implementing risk treatments for those risks identified by the business risk assessment as being at a level of risk that is unacceptably high and may impede the Department from achieving its objectives. The second element is the internal audit plan that outlines the annual audit program for the Department focusing on high risk activities to ensure that the identified controls are working effectively and in the most efficient manner. The plan focuses on the key or critical risks only.

## 1.3 Identifying risks across the Department

The business risk assessment was developed from Directorate and unit business plans, through a series of interviews with senior executive staff in the two month period, March to April 2008, and from discussion within the department's Board of Management and Audit Committee.

The audit program was developed primarily from the results of the business risk assessment process. However, the program also incorporates exposures identified through, or informed by:

- outcomes from the 2007/08 School Audit program
- the Department's rolling audit program of the Chief Executive's Finance Instructions (CEFI's)
- a review of previous audits undertaken by the ACT Auditor General.

## 1.4 Risk methodology

One of the issues in the conduct of a business risk assessment is how to conduct the assessment process in a consistent and structured fashion. It is important that a consistent approach to classification and analysis is taken so that all relevant risks are considered and risks can be given the appropriate level of attention.

In compiling this business risk assessment a corporate model was used that enables the Department to relate to its environment by means of the following three types of processes:

1. **Strategic management processes** - focussed on the overall direction and management of the Department and includes planning, decision making and reporting.
2. **Core business processes** - focussed on the core functions / activities undertaken by the Department in order to attain its strategic objectives.
3. **Resource management processes** - focussed on the management of the Department's key resources (ie. people, assets, information and finance).

In addition to this, and in accordance with the ACT Integrity Policy, the risk assessment also reviewed the Department's exposure to integrity risks in each of these three processes. These risks have been compiled and reported under the heading of Integrity risks.

## 1.5 Measuring risks in terms of likelihood and consequence

Whilst risks have been identified using the key areas from the corporate model, the analysis of the risks has been based on the Department's risk management framework. Consistent with AS/NZS 4360:2004, this framework defines risk as the chance of something happening that will have an impact upon the objectives of an organisation, with risk being measured in terms of likelihood and consequence.

It is important to note that the likelihood and consequence scores are directly impacted by the assessment of the effectiveness of existing controls. Only those risks that are not adequately controlled and/or have a significant consequence rating are captured and reported in this RMAP.

Through the internal audit program, the Audit Committee and management's own actions, the Department is ensuring that effective internal controls are operating to minimise the likelihood or consequence of risk events. The latter describes one of the functions of the corporate governance model – a monitoring role.

Included at Appendix C is the risk assessment matrix and the descriptors for the likelihood and consequence ratings used in the business risk assessment process.

It should be stressed that the risks outlined in this document and the Risk Management Plans are possible risk events, not risks that have actually occurred. They are risk events, which could occur and if so, would have a substantial impact on the Department's corporate objectives.

## 2 Summary of key risks and impact

### 2.1 Summary of key business risks

Set out at Appendix A is a summary of the Department's key business risks using the three areas from the corporate model and a fourth area of integrity to categorise these risks. These summary tables identify the current risk rating, strategies to mitigate the risk, the area responsible for implementing the strategies, the target risk rating, and the timeframe in which the action is to be taken.

## 3 Performance measures

### 3.1 Performance indicators

The following performance indicators have been incorporated to provide a measure of the performance of the RMAP and the effectiveness of the Department's implementation and utilisation of risk management as a key management tool and fundamental to its corporate governance arrangements.

- No severe insurable loss to disrupt the Department's financial position.
- All new projects (in excess of \$100,000 or where a significant risk to the Department exists) to be assessed for risk in accordance with the Department's risk management framework prior to initiation.
- All matters identified in the Risk Management and Audit Plan to be addressed in a timely manner and reported to the Audit Committee in accordance with the schedule at Appendix B of the RMAP.
- No revenue loss or significant event to disrupt the Department through improper conduct by staff.

## 4 Risk Management and Audit Program 2008-09

The following table indicates the risk management and audit program for 2008-09. At Appendix B is a schedule of reviews/tasks identified in the program that are to be reported against to the Audit Committee throughout 2008-09.

# Risk Management and Audit Program 2008-09

Risk Assessments			
Organisation Wide	Resource Management	Education	Project
Business Continuity Plan	Attraction and Retention of staff	2008-09 Budget Initiatives	School Capital Works
COAG agenda		Market Share	Pacific School Games
		Safe Schools	
		P-2 (Early Learning) Strategy	

Audit		
Organisation Wide	Resource Management	Education
BCP Testing (IT & Schools)	Capital Works Project Management methodology	<ul style="list-style-type: none"> <li>Follow-up audit of BSSS. Theme – IT &amp; BCP IT</li> </ul>
Compliance with Statutory Obligations	Records Management	<b>Schools Audit</b> <ul style="list-style-type: none"> <li>Principal self audit</li> <li>Review of SSAP</li> <li>Ongoing school audits</li> </ul>
	CEFI's	School Safety Audits
		School Census 2009

Other	Compliance	Requests	RM&A Activities			
	External Compliance	ACT Audit Office	Audit Committee	Organisational risk profile update	Insurance	Governance
	Fraud		Audit Report Follow-up	Risk Training Methodology		

## Strategic management risks

## Appendix A-1

Issue/Activity	Key Risks	Initial Risk Rating	Risk Mitigation Strategies	Target Risk Rating	Responsible area / officer	Time Frame
<b>Capital Works Program</b>	<ul style="list-style-type: none"> <li>School designs do not meet educational and community needs</li> <li>Construction of new schools not completed on time</li> <li>Construction of new schools exceeds budget</li> <li>School refurbishment and the Repairs and Maintenance programs are not on time</li> <li>School refurbishment and the Repairs and Maintenance programs exceed budget</li> </ul>	<b>8</b>	<ul style="list-style-type: none"> <li>Project management done by Project Control Board. Procurement processes ensure rigorous evaluation of Project Managers' capacity to deliver projects.</li> <li>DET has regular meetings with ACT Procurement Solutions and Projects Managers to monitor progress and funding.</li> </ul>	<b>5</b>	Director School Capital Works	Feb 2011
<b>Attraction and Retention of Staff</b>	<ul style="list-style-type: none"> <li>Positions vacant for an extended period</li> <li>Lack of good workforce data</li> <li>Loss of key personnel</li> <li>Internal staff not being trained for future vacancies</li> <li>Low staff satisfaction</li> <li>Department not regarded as an employer of choice</li> <li>Insufficient casual staff to meet needs of schools and line areas</li> </ul>	<b>8</b>	<ul style="list-style-type: none"> <li>Review current succession planning arrangements across the Department</li> <li>Work with the whole of government Attraction and Retention strategy</li> <li>Workforce data is collected, analysed and used for planning</li> <li>Organisation climate is measured and reported</li> <li>Performance Management in place for all staff</li> <li>Rewards and Recognition programs</li> <li>Staff Equity and Diversity statement encourages staff retention</li> <li>Flexible employment arrangements through Special Employment Agreements attract new staff</li> <li>Flexible leave arrangements (leave without pay after three years)</li> <li>Effective injury management</li> <li>Safe workplace strategies are implemented</li> </ul>	<b>4</b>	Director Human Resources	ongoing
<b>Safe Schools</b>	<ul style="list-style-type: none"> <li>Extreme student behaviour</li> <li>High level of critical incidents in schools</li> <li>School environments are not safe</li> <li>Student behaviour reported in media</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>Dedicated pastoral care coordinators in every high school</li> <li>Revise a range of policies that provide guidance and direction of schools in promoting safe school environments</li> <li>Policies updated and in place</li> <li>Incidents managed according to policy</li> <li>Ongoing program of school safety audit</li> <li>Appropriate training provided</li> <li>Injury prevention strategies developed and implemented with Shared Services</li> </ul>	<b>5</b>	Executive Director (Schools) Directors Schools Principals	ongoing

## Strategic management risks

Issue/Activity	Key Risks	Initial Risk Rating	Risk Mitigation Strategies	Target Risk Rating	Responsible area / officer	Time Frame
<b>P-2 (Early Learning) strategy</b>	<ul style="list-style-type: none"> <li>• New P-2 school model will not be viable</li> <li>• Interagency arrangements ineffective</li> <li>• Construction not completed on time</li> <li>• Preschool / primary school amalgamation unpopular</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>• Communication / marketing strategies developed and implemented</li> <li>• Governance arrangements agreed and in place</li> <li>• Effective project management in place</li> <li>• Regular communication and consultation with principals and school committees</li> </ul>	<b>5</b>	<p>Director Indigenous Education and Early Learning</p> <p>Director School Capital Works</p>	End of 2009
<p><b>2008-09 Budget initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Quality Teaching</b></li> <li>• <b>Literacy and numeracy</b></li> <li>• <b>Leading for Leadership</b></li> <li>• <b>Spice Program</b></li> <li>• <b>Transitions and Careers</b></li> <li>• <b>Students with a disability</b></li> <li>• <b>Indigenous programs</b></li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives not implemented on schedule</li> <li>• Inability to attract new project staff</li> <li>• Implementation not within budget</li> <li>• Desired outcomes not delivered</li> <li>• Professional Learning need not met</li> <li>• Student needs not met</li> <li>• Inadequate reporting</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>• Professional support from critical friends and key academics</li> <li>• Coordinated PL and resources – target areas of need</li> <li>• Effective project management in place</li> <li>• Governance arrangements agreed and in place</li> <li>• Consultation mechanisms in place with key stakeholders, including principals</li> <li>• Regular monitoring of project management through standing committees and routines with DCE and ED</li> </ul>	<b>4</b>	Directors	2011
<b>Market Share</b>	<ul style="list-style-type: none"> <li>• Parents and students do not choose ACT public schools</li> <li>• Ineffective marketing of ACT public schools</li> <li>• Further decline in student enrolments</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>• Dedicated pastoral care coordinators in every high school and careers support in colleges</li> <li>• Revise a range of policies that provide guidance and direction of schools in promoting safe school environments</li> <li>• \$90 million over four years to significantly improve overall quality of public school infrastructure</li> <li>• Improved marketing of government schools</li> <li>• Collect data on reasons why students move and choose to come to public schools</li> </ul>	<b>4</b>	<p>Executive Director (Schools)</p> <p>Directors Schools</p> <p>Principals</p> <p>Director Measurement, Monitoring and Reporting</p>	ongoing
<b>COAG Agenda</b>	<ul style="list-style-type: none"> <li>• Failure to meet COAG timelines</li> <li>• Inability to deliver on COAG initiatives</li> <li>• Failure to ensure ACT position is reflected in COAG decisions</li> <li>• ACT Budget does not align with COAG requirements</li> <li>• Reporting regime not met</li> <li>• Loss of/reduction in funding levels</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>• Timely delivery of briefs and reports</li> <li>• Effective project management</li> <li>• Identify and establish pool of ‘COAG Specialist’ staff with enough flexibility to work with tight deadlines</li> <li>• Establish new position in MSR to coordinate COAG papers and policy advice</li> <li>• Ensure close liaison with CMD, Treasury and other government agencies to align whole-of-Government response</li> </ul>	<b>3</b>	<p>Chief Executive</p> <p>Deputy Chief Executive</p> <p>Executive Directors</p>	Dec 2008

## Core business risks

## Appendix A-2

Issue/Activity	Key Risks	Initial Risk Rating	Risk Mitigation Strategies	Target Risk Rating	Responsible area / officer	Time Frame
<b>Business Continuity Planning</b>	<ul style="list-style-type: none"> <li>Business Continuity Plan does not meet needs of Department</li> <li>Disaster occurs and DET unable to recover</li> <li>Staff not adequately trained or aware of correct procedures</li> <li>Line areas not fully prepared</li> <li>Capacity of internal IT systems (BSSS, TaTE and HR) to adapt to changing environment and demands</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>Consultant engaged to develop Business Continuity Plan</li> <li>BCP distributed to all work sites</li> <li>Training plan to be developed and implemented</li> <li>BCP tested</li> <li>Schools advised of the requirement to have emergency management plans in place in accordance with the Department's Emergency Management Framework</li> <li>Assistance provided to schools in developing plans</li> <li>IT systems BCP plans developed</li> </ul>	<b>4</b>	Executive Director Business Improvement  Director Governance Regulation and Risk  Director Schools  Director Training and Tertiary Education  Executive Officer BSSS	2009
<b>Shared Services</b> <ul style="list-style-type: none"> <li>Financial Services</li> <li>Human Resources</li> <li>Procurement</li> <li>Information Technology</li> </ul>	<ul style="list-style-type: none"> <li>Department's service requirements not met</li> <li>Capacity of Shared Services to deliver a quality of service</li> <li>Reduced scope of services</li> <li>Transfer of information and poor communication between Department and Shared Services</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>Monitor service delivery</li> <li>Regular meetings with Shared Service staff</li> <li>Feedback provided to Shared Services Centre</li> <li>Action plans developed with Shared Services to overcome problem areas.</li> <li>CEFI's are being reviewed</li> <li>Finance and IT Services Level Agreements (SLA's) are in place</li> <li>Audit of financial SLA's first followed by audit of HR aspects</li> </ul>	<b>3</b>	Director Finance & Facilities  Director Human Resources  Director Education IT	Ongoing
<b>Pacific School Games</b>	<ul style="list-style-type: none"> <li>Games postponed or cancelled</li> <li>Major disruption to Games program</li> <li>Insufficient officials to run events</li> <li>Venues unavailable for events</li> <li>Defection of overseas competitors and officials</li> </ul>	<b>6</b>	<ul style="list-style-type: none"> <li>Four layers of Governance/committees in place and functioning effectively</li> <li>Comprehensive risk assessment completed and regularly updated</li> <li>Security exercise undertaken</li> <li>Regular briefings provided to Management Council and Cabinet</li> </ul>	<b>3</b>	Executive Director	Dec 2008

Issue/Activity	Key Risks	Initial Risk Rating	Risk Mitigation Strategies	Target Risk Rating	Responsible area / officer	Time Frame
<b>Records Management</b>	<ul style="list-style-type: none"> <li>• Adequate guidelines not available</li> <li>• Lack of staff training</li> <li>• Poor records management culture</li> <li>• Non-compliance with legal and statutory obligations</li> <li>• Lack of capacity to respond to changes in the Territory Records Management Act</li> </ul>	<b>6</b>	<ul style="list-style-type: none"> <li>• Training in records management processes and procedures.</li> <li>• Obligations under Territory Records Act reviewed</li> <li>• Implement recommendations per Auditor Generals audit</li> <li>• Assess capacity in unit and allocate additional resources if required</li> </ul>	<b>3</b>	Director Governance, Regulation and Risk	Ongoing

## Resource management risks

## Appendix A-3

Issue/Activity	Key Risks	Initial Risk Rating	Risk Mitigation Strategies	Target Risk Rating	Responsible area/officer	Timeframe
<b>HR Data</b>	<ul style="list-style-type: none"> <li>Inadequate internal systems for collecting data</li> <li>Data not regularly maintained</li> <li>Shared Services not collecting required data</li> <li>Chris21 data not reliable</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>Chris 21 management group has DET representation.</li> <li>HR Program Review and implementation of recommendations</li> <li>Chris21 data protocols developed and used</li> </ul>	<b>4</b>	Director Human Resources	Ongoing
<b>Financial management in schools</b>	<ul style="list-style-type: none"> <li>Lack of staff knowledge</li> <li>Non-compliance with department requirements</li> <li>Fraud and misappropriation</li> <li>Obsolete procedures or documentation</li> </ul>	<b>7</b>	<ul style="list-style-type: none"> <li>Conduct school and financial audits</li> <li>Review procurement guidelines</li> <li>Provide finance training</li> <li>Access to list of Delegations through Index</li> <li>Monitor through SSA with SSC Finance</li> <li>Inform School Boards of their obligations</li> </ul>	<b>3</b>	Director Finance & Facilities	Ongoing
<b>Central Office Accommodation Strategy</b>	<ul style="list-style-type: none"> <li>Accommodation does not meet future needs of the Department</li> <li>Insufficient space available to meet business needs of line areas</li> <li>Budget allocation exceeded</li> </ul>	<b>6</b>	<ul style="list-style-type: none"> <li>Regular reporting and briefing to SET</li> <li>Monitor budget closely</li> <li>Close liaison and consultation with affected staff</li> </ul>	<b>4</b>	Director Finance & Facilities	Dec 2008
<b>User Choice</b>	<ul style="list-style-type: none"> <li>Demand for User Choice/traineeships and apprenticeships outstrips budget allocation</li> </ul>	<b>6</b>	<ul style="list-style-type: none"> <li>Monitor demand and supply on a monthly basis</li> <li>Consult regularly with industry and business employers</li> <li>Work with Australian Government to reduce pressures through skills SPP</li> </ul>	<b>4</b>	Director Training and Tertiary Education	July 2009

## Integrity risks

## Appendix-A4










### (Fraud and Corruption Prevention Plan- F&CPP and Chief Executive Financial Instructions – CEFI)

Issue/Activity	Risk	Initial Risk Rating	Risk Mitigation Strategies	Target Risk Rating	Responsible area/officer	Timeframe
<b>Corporate Credit Cards</b>	<ul style="list-style-type: none"> <li>Inappropriate use of Credit Cards</li> <li>Guidelines not readily available</li> <li>Inadequate checking procedures</li> <li>Staff not trained</li> </ul>	6	<ul style="list-style-type: none"> <li>ACT Government Credit Card policy was reviewed by the Department of Treasury in February 2007. This resulted in Treasury updating the Model CEFI's. As a result the Department's CEFI's are in the process of being updated. CEFI's were adopted from the time they were issued by Treasury.</li> <li>Similarly these changes will be incorporated into the School Management Manual.</li> </ul>	4	Director Finance & Facilities	Jan 2009
<b>Mobile phones</b>	<ul style="list-style-type: none"> <li>Excessive use of for non-work related purposes and/or redirection of work phones to mobile phones for personal gain.</li> </ul>	6	<ul style="list-style-type: none"> <li>Invoices checked by directors / managers</li> <li>Staff pay for personal calls</li> </ul>	4	Directors	Ongoing
<b>Assets, Information and Services</b>	<ul style="list-style-type: none"> <li>Improper use of Government vehicles and other equipment</li> <li>Computer roll out creates opportunity for computer theft of existing or new equipment</li> <li>Improper use of the internet</li> <li>Electronic data not secure and protected</li> <li>Out-sourced training does not meet specifications</li> </ul>	6	<ul style="list-style-type: none"> <li>Regular updates of asset register</li> <li>Spot audits of asset register</li> <li>Effective project management in place for any new IT rollout</li> <li>Guidelines and policies in place and updated regularly</li> </ul>	3	Director Finance and Facilities Directors Director Education ICT	Ongoing
<b>Personnel Management</b>	<ul style="list-style-type: none"> <li>False representation by applicants regarding qualifications, skills, employment history, etc being made during recruitment process.</li> <li>Staff not completing leave applications</li> <li>Staff not completing sick leave notifications</li> <li>Staff not providing medical certificates when required</li> <li>School staffing officers failing to fully perform duties regarding leave</li> <li>Staff not maintaining accurate timesheets</li> <li>Staff not reporting overpayments</li> </ul>	6	<ul style="list-style-type: none"> <li>Recruitment processes and procedures reviewed</li> <li>Flex and leave management procedures distributed to all Principals.</li> <li>Leave guidelines included in induction training for all new staff</li> <li>Monitoring of procedures recorded in the self audit package for Principals.</li> <li>Compliance audits and follow up implemented</li> <li>Staffing Officer network established</li> <li>Monitoring of payroll services under SSA with Shared Services</li> <li>Intranet site updated with new guidelines</li> </ul>	3	Director Human Resources Shared Services	July 2008 Ongoing

2008 - 09 Strategic Risk Assessments Review Schedule

	Issue	Area responsible	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09
Risk Management program	Business Continuity Planning	Director GR&R			✓		✓			✓		✓		✓
	COAG agenda	Deputy Chief Executive			✓		✓			✓		✓		✓
	Records Management	Director GR&R			✓		✓			✓		✓		✓
	Attraction and Retention	Director, HR			✓		✓			✓		✓		✓
	2008-09 Budget Initiatives	Executive Director (Schools)			✓		✓			✓		✓		✓
	Market Share	Director, Schools			✓		✓			✓		✓		✓
	Safe Schools	Director, Schools			✓		✓			✓		✓		✓
	P-2 (Early Learning) Strategy	Director, Indigenous Education and Early Learning.			✓		✓			✓		✓		✓
	Capital Works Program	Director, SCW			✓		✓			✓		✓		✓
	Pacific School Games	Executive Director (Schools)			✓		✓			✓		✓		✓

2008 - 09 Audit Program – Proposed Schedule

Issue		Area responsible	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	
Audit program	Compliance with Statutory Obligations 	Director GR&R													
	BCP Testing (schools) 	Director GR&R													
	Capital Works Project Management 	Director SCW													
	BSSS (BCP) 	Exec Officer BSSS													
	Records Management 	Director GR&R													
	Schools Census 2009 	Director MM&R													
	School Audit	Director GR&R													
	• Principal self assessment 														
	• Review of SSAP 														
	• School safety 														

Internal Audit Team	
External Auditors	

Fieldwork	
Drafting & Management Comment	
Tabling	

# Risk Assessment Matrix – Level of Risk

**>7: Extreme risk**

– detailed action plan required

**6.7: High risk**

– needs senior management attention

**5: Medium risk**

– specify management responsibility

**<5: Low risk**

– manage by routine procedures

High or Extreme risks must be reported to Senior Management and require detailed treatment plans to reduce the risk to Low or Medium.

	Consequence				
People	Injuries or ailments not requiring medical treatment.	Minor injury or First Aid Treatment Case.	Serious injury causing hospitalisation or multiple medical treatment cases.	Life threatening injury or multiple serious injuries causing hospitalisation.	Death or multiple life threatening injuries.
Reputation	Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny required by external committees or ACT Auditor General's Office, or inquest, etc.	Intense public, political and media scrutiny. Eg: front page headlines, TV, etc.	Assembly inquiry or Commission of inquiry or adverse national media.
Business Process & Systems	Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule.	Policy procedural rule occasionally not met or services do not fully meet needs.	One or more key accountability requirements not met. Inconvenient but not client welfare threatening.	Strategies not consistent with Government's agenda. Trends show service is degraded.	Critical system failure, bad policy advice or ongoing non-compliance. Business severely affected.
Financial	1% of Budget or <\$5K	2.5% of Budget or <\$50K	> 5% of Budget or <\$500K	> 10% of Budget or <\$5M	>25% of Budget or >\$5M

	Numerical:	Historical:
Likelihood	>1 in 10	Is expected to occur in most circumstances
	1 in 10 - 100	Will probably occur
	1 in 100 – 1,000	Might occur at some time in the future
	1 in 1,000 – 10,000	Could occur but doubtful
	1 in 10,000 – 100,000	May occur but only in exceptional circumstances

		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	6	7	8	9	10
Likely	4	5	6	7	8	9
Possible	3	4	5	6	7	8
Unlikely	2	3	4	5	6	7
Rare	1	2	3	4	5	6