
# Categories of risk


## Purpose and Outcomes

Usually in the form of a table, this sample list is designed to provide managers with a list of common risks often within predefined risk categories. These risk categories can vary according to organisation size, complexity and context.

Using this template, you can identify your own categories of risk

|  |  |  |
| --- | --- | --- |
|  | © State of Victoria 2021 You are free to re-use this work under a Creative Commons Attribution 4.0 licence, provided you credit the State of Victoria (Victorian Managed Insurance Authority) as the author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any branding, including Government logos.© Victorian Managed Insurance Authority 2021 | Victorian Managed Insurance Authority (VMIA) acknowledges the Traditional Custodians of the land on which we do business and we pay our respects to Elders past, present and emerging. We acknowledge the important contribution that Aboriginal and Torres Strait Islander peoples make in creating a thriving Victoria. |

## Considerations and Support

|  |  |  |
| --- | --- | --- |
| Potential categories | Questions to ask | Risk event examples |
| Strategic risks | What uncertainties could effect our strategic objectives? | Government reduces funding to the Agency without a commensurate reduction in required outcomesGovernment abolishes Agency in favour of commercial alternativeGovernment amalgamates Agency with another Agency (Machinery of Government)Changes to legislation relating to agency activities policy that increase workload without additional fundingIncreased number and/or severity of major disastersUnauthorised release of confidential information as a result of State-wide cyber attackIncrease in impact of extreme weather events due to inability to adapt to climate changeSerious injury or death to an employee or clientBreach of environmental protection/ sustainability legislationDisruption to critical services delivered by the AgencyChange in ability to supply services/ goodsChange in interest ratesChange in public demand for services/ productsContamination of water supplyDamage to/development of protected sensitive natural habitatsFuel shortagesSustainability costs making service provision uneconomical Undeclared conflict of interest in breach of the Act during tender process Agency unable to support emergency management response due to lack of communication, collaboration and/or coordination with other Agencies |
| Potential categories | Questions to ask | Risk event examples |
| Financial risks | What financial risk does our organisation have? | Capital assets not valued correctlyCapital assets not maintained/ deteriorationChanges in funding allocationsCustomer revenue/ collections targets not metDeclining market value of assetsEquipment obsolescenceErrors/ omissions in financial statementsFinancial reporting requirements not understoodFraudulent/corrupt behaviour by a staff member involved in accounts payable/receivable/payroll/cash handling etcFraudulent/corrupt behaviour by a staff member involved in procurementInaccurate expenditure forecastingInaccurate revenue forecastingOver/ under spending budget allocationsReporting deadlines not metReporting not in correct formatWasteful or unproductive expenditure |

|  |  |  |
| --- | --- | --- |
| Potential categories | Questions to ask | Risk event examples |
| Operational risks | What uncertainties could effect our business objectives? | Agency building or asset (or part thereof) collapses or becomes unusable for its purposeAt fault/avoidable incident involving workers and/or public in an Agency operated facilityLoss of/theft of/malicious damage to and/or avoidable degradation of Agency assets/propertyInaccurate, untimely, incomplete, inappropriate or prejudicial information provided to a stakeholderWorkers/members of the public unable to be evacuated during an emergency situationFraudulent/corrupt behaviour by a staff member involved in accounts payable/receivable/payroll/cash handling etcFraudulent/corrupt behaviour by a staff member involved in procurementAgency spreads or fails to address the spread of noxious flora and/or verminLoss of corporate dataAt fault Worker/member of public exposed to unbonded asbestos in an agency owned/operated facilityContamination/endangered flora/fauna and/or items of cultural significance is discovered during development/construction activitiesTheft of in-home client property by a staff member/volunteer/contractor (including manipulation of will)Undeclared conflict of interest in breach of the Act during tender process Disruption to critical services delivered by the Agency due to not being able to source goods/services from third party provider |

|  |  |  |
| --- | --- | --- |
| Potential categories | Questions to ask | Risk event examples |
| Shared risks | What shared risks have been identified or allocated to our Agency to communicate, collaborate and/or coordinate? | Government amalgamates Agency with another Agency (Machinery of Government)Increased number and/or severity of major disastersUnauthorised release of confidential information as a result of a State-wide cyber attackIncrease of impact of extreme weather events due to inability to adapt to climate changeContamination of water supplyDamage to/development of protected sensitive natural habitatsFuel shortages impact the StateDelay in delivery of major project works due to poor stakeholder engagementAgency unable to support emergency management response due to lack of communication, collaboration and/or coordination with other Agencies |

|  |  |  |
| --- | --- | --- |
| Potential categories | Questions to ask | Consideration examples |
| State significant risks | What State significant risks have been identified or allocated to our Agency to communicate, collaborate and/or coordinate? | Climate changeCyber securityLocalised/National/Global pandemic and infectious disease outbreakA malicious act by a motivated person or group including terrorismEmergency responseNatural Disasters: Fire, Flooding, BushfiresPolitical revolutionWater shortages |