

# 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

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## Considerations and Support

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| 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 outcomes  Government abolishes Agency in favour of commercial alternative  Government amalgamates Agency with another Agency (Machinery of Government)  Changes to legislation relating to agency activities policy that increase workload without additional funding  Increased number and/or severity of major disasters  Unauthorised release of confidential information as a result of State-wide cyber attack  Increase in impact of extreme weather events due to inability to adapt to climate change  Serious injury or death to an employee or client  Breach of environmental protection/ sustainability legislation  Disruption to critical services delivered by the Agency  Change in ability to supply services/ goods  Change in interest rates  Change in public demand for services/ products  Contamination of water supply  Damage to/development of protected sensitive natural habitats  Fuel shortages  Sustainability 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 correctly  Capital assets not maintained/ deterioration  Changes in funding allocations  Customer revenue/ collections targets not met  Declining market value of assets  Equipment obsolescence  Errors/ omissions in financial statements  Financial reporting requirements not understood  Fraudulent/corrupt behaviour by a staff member involved in accounts payable/receivable/payroll/cash handling etc  Fraudulent/corrupt behaviour by a staff member involved in procurement  Inaccurate expenditure forecasting  Inaccurate revenue forecasting  Over/ under spending budget allocations  Reporting deadlines not met  Reporting not in correct format  Wasteful or unproductive expenditure |

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| 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 purpose  At fault/avoidable incident involving workers and/or public in an Agency operated facility  Loss of/theft of/malicious damage to and/or avoidable degradation of Agency assets/property  Inaccurate, untimely, incomplete, inappropriate or prejudicial information provided to a stakeholder  Workers/members of the public unable to be evacuated during an emergency situation  Fraudulent/corrupt behaviour by a staff member involved in accounts payable/receivable/payroll/cash handling etc  Fraudulent/corrupt behaviour by a staff member involved in procurement  Agency spreads or fails to address the spread of noxious flora and/or vermin  Loss of corporate data  At fault Worker/member of public exposed to unbonded asbestos in an agency owned/operated facility  Contamination/endangered flora/fauna and/or items of cultural significance is discovered during development/construction activities  Theft 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 |

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| 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 disasters  Unauthorised release of confidential information as a result of a State-wide cyber attack  Increase of impact of extreme weather events due to inability to adapt to climate change  Contamination of water supply  Damage to/development of protected sensitive natural habitats  Fuel shortages impact the State  Delay in delivery of major project works due to poor stakeholder engagement  Agency unable to support emergency management response due to lack of communication, collaboration and/or coordination with other Agencies |

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| 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 change  Cyber security  Localised/National/Global pandemic and infectious disease outbreak  A malicious act by a motivated person or group including terrorism  Emergency response  Natural Disasters: Fire, Flooding, Bushfires  Political revolution  Water shortages |