



SECRETARIAT OF THE PACIFIC REGIONAL ENVIRONMENT PROGRAMME

Risk management plan
June 2011



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1. OBJECTIVES

- **Introduction**

This plan was developed by the executive team, programme managers and staff of the Secretariat of the Pacific Regional Environment Programme (SPREP). While it was prepared in response to a recommendation of the October 2009 European Commission institutional assessment of SPREP, the Secretariat recognises that risk management is an important factor in strengthening its institutional processes. This plan will be updated annually as a core part of SPREP's planning and governance.

- **Objectives of the plan**

Context: To profile SPREP's risk universe and accountability, by rating the likelihood and possible consequences of risks: using a risk matrix as a snapshot;

Control strategy: To make practical recommendations to mitigate (avoid, minimise or cope with) the risks: on the basis of a 12-month risk management strategy;

Reporting: To establish the accountability for risk management in SPREP and to make commitments to communicate, monitor and review the control strategies.

- **Statement of commitment**

SPREP has been going through a period of change management for the past 2 years and the development of this risk management plan is further evidence of its commitment to continuous improvement within the Secretariat. The approach adopted by the Secretariat to risk management is to build risk identification into "the way we do business".

The SPREP Executive is committed to using the 2011 risk management plan to ensure that the Secretariat will effectively mitigate and manage the impact of strategic, financial, operational, reputational and compliance risks in pursuit of its strategic goals and objectives.

Not only will the risk management plan assist in ensuring the effective delivery of services but it will also assist in safeguarding the Secretariat's assets, its people, finance, property and reputation.

The plan will be updated annually as a core part of SPREP's strategic planning and governance process, and will be reported to the Executive and then tabled at the SPREP meeting. The updating of the risk management plan will involve a process of consultation with staff and the Executive team.

Whilst all staff have a role in effective management of risk, a risk management committee has been established which will provide a 6 monthly report to the Executive team on progress in addressing key risks, lessons learnt, and any relevant changes needed to SPREP's operating environment (external or internal) including emerging risks and trends.

Ultimately it is the Executive that is accountable to SPREP Members for performance and the management of risks facing the organization.

David Sheppard
Director

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2. OVERVIEW OF RISK MANAGEMENT

- **Risk management definition**

Risk is anything that would threaten or limit SPREP's ability to achieve its objectives. Risk management is the process of:

- establishing the context and assessing the risks: profiling undesirable outcomes – strategic, financial, operational, compliance, reputation – before they happen,
- managing the risks: by setting up internal controls to manage the impacts by preventing, minimising or accommodating the risks, and
- communicating, monitoring and reviewing the risk management approach, to ensure it remains inclusive, up to date and a useful part of decision making.

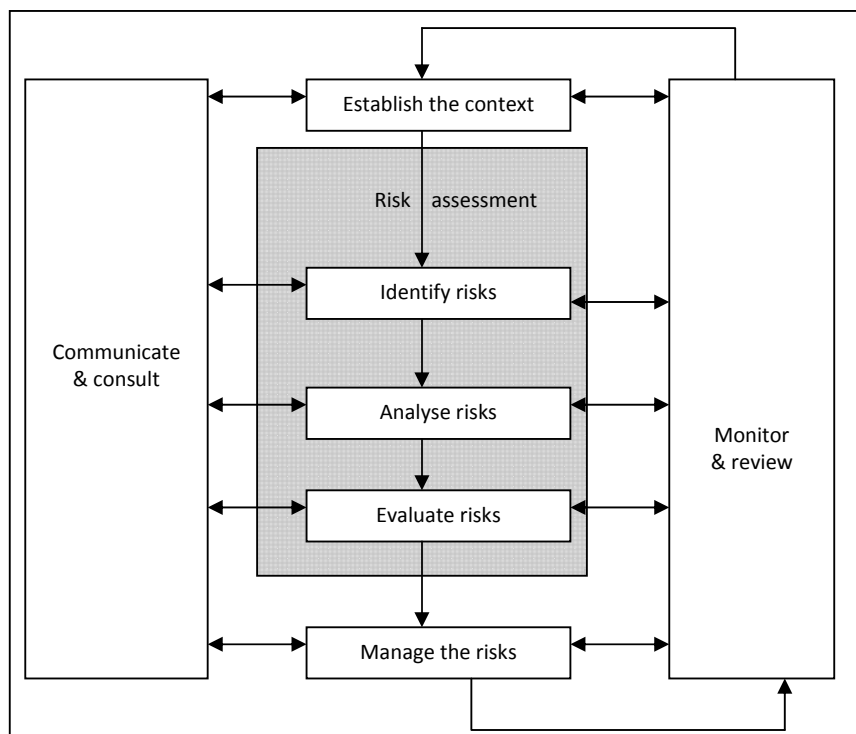
- **Accountability for risk management**

The Director and Deputy Director are accountable to the 25 SPREP member countries and territories, through the SPREP Meeting, for the performance of the Secretariat. This includes accountability for managing corporate risks.

Programme Managers and the Corporate Services Manager are accountable to the SPREP Director for both their actions and performance and those of staff who report to them. This includes ensuring their staff are aware of relevant risk management responsibilities, and putting in place controls to ensure compliance.

- **Risk management process**

SPREP's approach to risk management follows the generic sequence of best practice risk management, summarised in the following figure adapted from ISO 31000 (the international standard on *Risk management – principles and guidelines*).



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3. CONTEXT

The then South Pacific Regional Environment Programme (SPREP) was initially set up at the South Pacific Commission (now the Secretariat of the Pacific Community) in Noumea, New Caledonia following the Stockholm Conference on the Environment of 1972. From 1982, SPREP became an autonomous entity within the South Pacific Commission. Following decisions taken at the 3rd and 4th Intergovernmental Meetings of SPREP in 1990 and 1991, and subsequent endorsement by the 30th South Pacific Conference held in 1990, it was agreed that SPREP become independent and the Secretariat moved to Apia, Samoa in 1992. A formal agreement to establish SPREP as an independent intergovernmental organisation was adopted by Contracting Parties in 1993 and entered into force in 1995. Establishment of the SPREP headquarters in Apia was supported by the Government of Samoa through a host country agreement. From 1992-2000 office accommodation was located in existing buildings at Vaitele. In 2000 the Secretariat relocated to a purpose built headquarters (HQ) at Avele on ex-forestry research land donated by the Samoan Government. Buildings were funded by Australia, China, France, European Union, Japan New Zealand, Papua New Guinea, Samoa, and the USA.

3.1 External context

3.1.1 Local operating environment

SPREP HQ at Avele provides an excellent location and facilities for current and future development of the organisation. Buildings currently provide sufficient work space for current SPREP staff numbers and partners with occupancy agreements, and should the need arise in the future the land area of 10 acres/4.05 hectares provides space for further expansion and facility development.

Specific issues relevant to risk management include:

- *Political context*

Samoa has a stable government that provides political, administrative and legislative support for SPREP and its operations.

- *Law and order*

Samoa generally provides a peaceful social environment for SPREP operations and staff residence. However, SPREP staff have experienced burglary of houses This is an issue of concern in terms of security and safety for staff, their families and their possessions. The SPREP Executive has recently agreed a number of measures to address the security of SPREP staff, including [insert example- housing ticklist for potential tenants?]

SPREP maintains a security post at the HQ entrance to the property staffed by a local security firm 24 hours, which ensures that SPREP assets are protected. This appears to provide adequate protection.

- *Health*

Samoa has a generally low health risk, and good opportunities for SPREP staff to enjoy healthy lifestyles in a low pollution, tropical island environment. However, known risks include a typhoid that occasionally affects small numbers in the wider community from time to time, and occasional outbreaks of dengue fever, which occurs throughout the Pacific islands. The mosquito borne nematode disease filariasis also occurs in Samoa, although now at a low level of incidence as a result of eradication campaigns through the periodic distribution of anti-microfilarial drugs. Nevertheless, staff need to be informed of all local health issues as well as those in the wider region that have potential to impact staff working outside of Samoa (see 3.1.2). This includes other common issues such as vaccinations for hepatitis, TB and tetanus.

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- *Economic and local employment context*

Cost of living for SPREP staff is relatively high in Apia but this is compensated by COLDA. SPREP is usually able to select from a strong pool of candidates for locally engaged support staff. SPREP salaries for support staff follow the CROP guidelines for setting pay rates at 10% above the upper quartile of the local market. The trend in salaries and rewards in the local employment market (dominated by the Public Service) which may compete for support staff has remained fixed for the last 3 years therefore SPREP support staff continue to be paid well above the relevant local market rates.

- *Maintenance and supplies*

Availability of maintenance trades people, equipment and supplies is generally adequate from local suppliers. However, some specialist items have to be imported through a tender process and HQ office equipment is usually provided through companies tendering from New Zealand and Australia. This necessitates good planning to order goods well in advance of needs. It is also linked to the need for regular maintenance/servicing and monitoring of the condition of equipment that has to be imported should it breakdown. For example, in 2007/2008 the standby generator failed and several months passed before a new generator was delivered, and in the interim SPREP HQ was regularly without power due to frequent power cuts in the national grid that year. The HQ buildings and large SPREP grounds, while an asset, require ongoing maintenance to ensure that they are kept in a presentable and manageable condition as they are the 'face' of the organisation.

- *Essential services*

National power and water services are generally reliable but short term cuts in services do occur intermittently, sometimes lasting several hours. This means that it is essential that SPREP maintains a backup generator and tanked water supply to sustain operations. SPREP telecommunications connectivity to the outside world is via a fibre optics cable that runs from SamoaTel to SPREP premises at Vailima. A risk exists to SPREP services if the cable is cut as a result of a natural disaster or as a result of work been done in the cable path.

- *Meteorological and environmental hazards*

Samoa enjoys a mild tropical climate but it lies within the November-March tropical cyclone zone and is occasionally impacted by severe cyclones. The devastation caused by cyclone Val, a 100 year event, in 1991 created a national disaster. While impacts on such scale are fortunately infrequent even less powerful cyclones can have major impacts on infrastructure and services, threatening the functioning of SPREP HQ and the residential security and health of staff. SPREP has a cyclone emergency plan but this needs to be regularly reviewed. High rainfall events can also cause local flooding in Apia and disrupt transportation.

Geologically, Samoa lies close to the northern end of the Tongan Trench which forms the boundary between the Indo-Australian and Pacific tectonic plates. Minor earth tremors resulting from tectonic movements are a regular occurrence in Samoa. In September 2009 a 8.1 magnitude earthquake occurred approximately 200 miles south of Upolu that, while not resulting in major structural damage, created a tsunami that devastated sections of the southern Upolu coastline as well as American Samoa. Potentially, earthquake related hazards are a risk to SPREP operations through infrastructure damage to HQ and impacts on staff. Although not necessarily of direct threat to Upolu where SPREP HQ is based, Savai'i is still considered to be volcanically active with potential for future eruptions (SOPAC Technical Report 295) - the last being 1911 - that could disrupt services to and from Samoa.

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3.1.2 Regional operating environment

The SPREP Secretariat services 21 Pacific island countries and territories (PICTs) and four metropolitan Member countries (Australia, France, New Zealand, USA) that are currently signatories to the 1993 SPREP Agreement. While all Members participate in the governance of SPREP the focus of Secretariat technical support is the PICTs. The geographic scope of the SPREP region is vast, ranging from French Polynesia in the east to PNG in the west, and Tonga in the south to Palau in the north. SPREP also operates within a regional context that includes a number of other regional organisations, including organisations within the Council of Regional Organisations of the Pacific¹ (CROP) with whom it shares common approaches to organisational governance. Additionally the annual Pacific Islanders Leaders Forum (PILF) plays the key role in determining regional policy on a number of issues that affect SPREP, including regional institutional 'architecture' issues and the Pacific Plan. Currently SPREP operates from Samoa, but it is possible that in-country operations may extend to other countries in the future.

Key regional contextual issues include:

- *Policy environment*

While SPREP operates under its own agreement with member countries and territories, as well as the Noumea Convention, political decisions relating to the operations of CROP organisations by the PILF affect SPREP. The most recent example relates to decisions by PILF on the regional institutional framework (RIF) which resulted in the merger of SOPAC into SPC and SPREP, and SPBEA into SPC among others. Studies commissioned by PILF during 2005-2007 that led to these decisions had also recommended that SPREP be merged into SPC as part of a strategy to create a single large organisation as a technical pillar of a new RIF. In its decisions to merge other agencies in 2007-2008 the PILF did not accept the recommendation to merge SPREP into SPC. However, future assessments may impact on the current structure and autonomy of SPREP.

- *Inter-organisational relationships*

SPREP works collaboratively with CROP and other organisations operating in the region. SPREP is mandated to support its 25 Members on a range of environmental issues and the 2011-2015 Strategic Plan adopted by the SPREP Meeting in 2010 identifies the strategic priorities of climate change, biodiversity and ecosystem management, pollution control and waste management, and knowledge management and governance. These are issues which also overlap with the interests of other regional organisations and a key implementation pillar of the strategic plan is the development of effective partnerships to address the region's strategic environmental priorities. Nevertheless, the competition for programmatic and project resources is high among organisations, and this can lead to 'mandate creep' and less collaborative approaches in developing support for Pacific countries. For example, there is a current focus on developing roles in and securing funding for climate change activities among Pacific regional organisations, and this is contributing to increased competition for resources between CROP agencies

¹ Pacific Islands Forum Secretariat, the Secretariat of the Pacific Community, Pacific Islands Forum Fisheries Agency, South Pacific Applied Geoscience Commission (now SPC), Secretariat of the Pacific Regional Environment Programme (SPREP), South Pacific Tourism Organisation, University of the South Pacific, Pacific Islands Development Programme, Fiji School of Medicine, Pacific Power Association, South Pacific Board for Educational Assessment (now SPC)

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- *Logistical issues*

SPREP is located in Samoa, which although reasonably well serviced by airlines at present, lies at the periphery of main travel routes. Fiji, by comparison, has always been a regional hub for air travel with direct flights to the USA, Asia, Australia and New Zealand as well as other SPREP Member countries and sub-regions (Kiribati, Guam, Tonga, PNG, SI, Vanuatu). Direct travel to other SPREP Pacific islands is only currently possible for Fiji, American Samoa, and the USA. In 2011 Air New Zealand ceased its NZ-Tonga-USA flight because of withdrawn financial subsidies from the Samoa and Tonga governments. The location of SPREP in Samoa therefore requires additional connecting flights to reach most SPREP Pacific Member countries and territories. Disruption of air services, both short and long term, could potentially affect SPREP's ability to provide cost and time effective in-country support to Members.

The extensive travel required by SPREP staff to service Members is expensive and a large part of the annual budget is expended on travel. However, there is increasing use of video conferencing to reduce travel costs to meetings and this should continue and accelerate in the future.

- *Staff welfare*

Staff and family health and safety issues have been raised in the local context in 3.1.1; however, there are also risk management issues that need to be considered in the context of staff regional in-country work. Three SPREP Member Countries have endemic malaria: PNG, Solomon Islands and Vanuatu. In addition, some areas of PNG have had an ongoing severe cholera outbreak for the past 18 months.

Travel accommodation, even if variable in quality is adequate in most Pacific island countries and territories, provided that basic health issues are addressed. However, there are significant security issues for staff travelling and working in PNG, and other Pacific islands during times of civil unrest (e.g., Solomon Islands and Tonga in 2006).

- *Cultural considerations*

While general commonality exists among Pacific islanders in terms of culture, customs and social perspectives there is also extensive diversity in languages and social mores, and some differences in governance models and political outlooks. SPREP staff especially those new to the region, need to be aware of these cultural, social and political differences in working with Member PICTs. Competence in the French language is required to work effectively in the French speaking SPREP Member Territories and this is a significant constraint to SPREP's operations in these locations.

3.1.3 Stakeholders

- *SPREP Members*

Member countries and territories are the key stakeholders in SPREP. Membership is voluntary and all Members must pay annual dues on a scale commensurate with national economies. However, an ongoing issue is the non-payment of contributions by some Members, with a number in significant arrears. In addition to the 21 PICTs, Australia, New Zealand, France and the USA play a key role in providing financial and technical support to the Secretariat. The overall breakdown of funding is on a basis of 80% programme and 20% core. At present 92% of programmatic funding is provided by Australia and New Zealand (A-NZ). Should this level of support decline for policy or other reasons it will leave SPREP vulnerable as the funding supports key technical positions that deliver services to PICT Members.

In a risk management context it is essential that funding is placed on a long term programmatic basis, and this is under discussion with A-NZ. However, over the past four years A-NZ have indicated the need for significant reform of SPREP systems and improved performance.

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Specifically, recommendations of the Independent Corporate Review (ICR), undertaken as a commitment to AusAID in 2007, need to be implemented in conjunction with the 2011-2015 Strategic Plan.

Other significant funding is derived from project implementation overheads and at present SPREP is reliant on a small number of GEF projects and this places SPREP's long term financial viability at risk.

- *Others*

A number of other bilateral, multilateral, international, regional and non-government organisations are SPREP stakeholders and support SPREP. A number of these are also project and programme donors; for example, the European Union (EU), UNEP, China, Taiwan, GTZ, MacArthur Foundation, GEF through UNEP and UNDP, ADB, Conservation International, etc. While a few donors give unconditional support most require stringent management, monitoring and financial systems, and there are often different financial requirements from these donors. In 2009 the EU undertook an institutional assessment of SPREP and found a number of shortcomings related to operational systems that prevented direct EU funding. While these have now been addressed, it highlighted the vulnerability of SPREP to standards imposed by external funders and the need for SPREP to ensure compliance with international standards.

3.2 Internal context

3.2.1 Capabilities

SPREP has been operating as an independent organisation based in Samoa for 19 years, 17 years under the SPREP agreement. The organisation has grown significantly in that time in terms of staff numbers and budget. Currently SPREP has:

- 62 staff, 32 of which are professional and 30 support staff
- 2011 budget of US\$11.5 million

Professional technical staff operate in two programmes covering the range of key areas that relate to SPREP's mandate: climate change, biodiversity, species, pollution, waste, capacity building, knowledge management, and communications. The level of technical staffing is adequate but not ideal and additional positions are still needed in key areas. SPREP has adequate capacity for financial management, human resources and administration. However, high staff turnover and loss of professional positions through staff departures in all areas open to external application often results in lengthy delays in re-filling the posts, sometimes for several months. These delays can occur for a number of reasons but in general include: length of advertising and processing period, need to re-advertise due to lack of suitable candidates or withdrawal of suitable candidates from the recruitment process, and time needed for appointed candidates to take up the post. Extended vacancies in key positions can jeopardise the functioning of key work areas and delivery of services to Members. This in turn can have a substantial reputational and credibility risk for SPREP.

3.2.2 Decision making

The annual SPREP Members' meeting makes decisions about organisational strategic issues in the delivery of its mandate. The SPREP Meeting appoints the Director to direct and manage all aspects of organisational technical and administrative performance. The Director appoints all staff including the Deputy Director and Programme Managers that comprise the Executive Team. Executive Team meets fortnightly and makes strategic decisions by consensus where

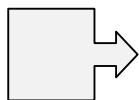
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possible; staff are informed of these decisions within two days and at monthly all-staff meetings. A system of Acting Director and OIC appointments is implemented in the absence of the Director and Deputy Director.

3.2.3 Objectives

SPREP's internal objectives have been determined by a five-tiered process:

1. Agreement on SPREP establishment
2. 5-year Action Plan
3. 10-year Strategic Programmes
4. Staff regulations
5. Administrative policies



Merged into 2011-2015 Strategic Plan

In 2010 the Secretariat worked with Member PICTs on the new strategic plan for 2011-2015 which merged the Action Plan and Strategic Programmes. As noted above, the 2010 SPREP Meeting adopted the strategic plan, which now merges tiers 2 and 3. As part of the strategic planning process the Secretariat will develop a business plan and a revised monitoring and evaluation system in 2011.

The Secretariat is administered through the formal staff regulations that are endorsed by the SPREP Meeting, in turn supported by a range of policies and procedures on, for example, recruitment, procurement, travel, gender, and so on.

3.2.4 Culture

In 2010, as part of the strategic planning process, the Secretariat adopted the following key organisational values:

- Environmental leadership
- Service delivery
- Valuing our people
- Integrity

SPREP implements merit and performance-based approaches to staff assessments and recruitment, and in 2010 adopted a new Performance Development System that comes into effect in 2011. In terms of valuing cultural diversity, the Secretariat implements a policy of recruiting staff from the region as a priority, based on merit principles to ensure that the organisation recruits the most qualified and experienced people for positions. The Secretariat currently employs staff from 16 countries and territories.

3.2.5 Application of the Risk Management Process

SPREP's Risk Management Plan is built into the way the Secretariat does its business. The risk management process is designed to be triggered on the onset of risk identification rather than waiting for the risk to occur or before a response is made. This Risk Management Plan will be mainstreamed into the Secretariat's policies and planning processes. This process is expected to identify and deal with risks at the early stages of planning which will continue through monitoring and evaluation to ensure that risks has been removed or mitigated against. The following are entry points for applying the risk assessment process:

- All new regional project proposals with a development of a risk matrix
- Major planning/decisions that require members approval
- Development of Monitoring & Evaluation Frameworks

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- Secretariat's Strategic, Business Plans and related architecture
- Human Resource Policies
- Financial Management Processes

4. ASSESSMENT

4.1 Risk analysis

- **Criteria**

In order to prioritise management responses, SPREP assessed the significance of the risks. The assessment process involved the following key steps:

1. **Identification:** A committee of SPREP staff with relevant experience and background knowledge listed all possible and known risks: the list (to be updated annually) is attached as [Appendix A](#).
2. **Analysis:** The SPREP Committee assessed the impacts of each risk by analysing the likelihood and consequences: see the guides for likelihood and consequences in [Appendix B](#). This followed a risk impact analysis approach, which is comparable to that used in many other organisations:

Table 1: Analysis of All Possible or Known Risks Across the Organisation in tabular format reflecting the individual risks in Appendix A

RISK IMPACT ANALYSIS					
Likelihood	Consequences				
	Low	Moderate	Medium	High	Severe
Almost Certain	MODERATE	HIGH	HIGH	SEVERE	SEVERE
Likely		MEDIUM	HIGH	HIGH Member Contributions	SEVERE
Possible	LOW IT Systems Vendor Support	MODERATE	MEDIUM Energy Management Electrical Power Supply Internet Connectivity	MEDIUM Strategic Planning Performance Management Organisational Reform Regional Institutional Reforms	HIGH Funding
Unlikely			MODERATE Engagement with Partners Policies and Guidelines Staff Development IT Systems Capacity and Capability Data Backup Misuse of Logo Other contractual breaches Harm to 3 rd Parties	MEDIUM Member Engagement Job Design Analysis Recruitment Terms and Conditions Staff Retention Staff Performance Security of Premises Property Maintenance Fire Internal/External Communications IT Systems Security Insurance Publications Website Communications & Media Confidentiality Donor Institutional Assistance Budget Management Financial Reporting Fraud	MEDIUM
Rare		LOW	LOW	MODERATE	MODERATE

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3. **Evaluation:** Using the analysis, the committee then identified the major risks requiring treatment. It also rated the effectiveness of the control measures in place: see the guide in [Appendix C](#). These ratings were brought together to identify the residual risk exposures, which will guide decisions on priority risks for management:

Table 2: This table shows the major risks perceived within SPREP and to what extent current systems mitigate these risks

PRIORITY RISKS ANALYSIS							
			Control effectiveness				
			none	inadequate	good	very good	excellent
			5	4	3	2	1
Risk impact	severe	5	25	20	15	10	5
	high	4	20	16	12 Secured funding Donor compliance and reporting	8 Staff retention & recruitment Performance management	4 Job design and analysis
	medium	3	15	12	9	6	3
	moderate	2	10	8	6	4	2
	low	1	5	4	3	2	1

- Red = major risks. The unacceptable residual risk exposure (indicative numerical value of 15-25) makes these priority risks to be prevented or minimised by senior management.
- Orange = risks that could be managed better. The residual risk exposure (6-12) makes these the next priority for improvement, with specified management responsibility, once the major risks have been addressed.
- Green = low impact or well managed risks. Tolerated and/or managed by routine procedures.

4.2 Risk evaluation

• Overview of priority risks

The following priority risk matrix which was completed on the basis of the impact assessments and assessments of control effectiveness summarises the relative priority of the assessed risks, to guide management decisions.

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Table 3: In light of the analysis in Tables 1 and 2, Table 3 provides an assessment of the relative priority of the identified risks to provide a focal point for managements' response

SPREP PRIORITY RISKS MATRIX FOR 2011							
			Control effectiveness				
			none	inadequate	good	very good	excellent
			5	4	3	2	1
Risk impact	severe	5					
	high	4			<ul style="list-style-type: none"> Secured funding Donor compliance and reporting 	<ul style="list-style-type: none"> Staff recruitment and retention Performance management 	<ul style="list-style-type: none"> Job design analysis
	medium	3					
	moderate	2					
	low	1					

5. CONTROL

5.1 Risk management options

The main options for risk management / treatment / control to select from, on the basis of their respective costs and benefits, are:

Avoid the risk:

- Remove the source of the risk
- Decide not to start or continue with the activity that creates an unacceptable risk
- Choose a more acceptable alternative activity or process

Reduce the likelihood or consequences of the risk:

- Choose a cost-effective or satisfactory solution
- Go with the accepted risk minimisation practice in business or other regional organisations

Share the risk:

- Transfer the risk in full or part to another party, e.g. a contractor or insurer

Retain the risk (usually for risks with lower exposure):

- Because SPREP is obliged for constitutional or political reasons to accept the risk
- Because no treatment is available (e.g. the source of the risk is beyond the control of SPREP)
- Because the cost of the treatment option is excessive compared to the benefit

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5.2 Suggested priority actions for risk management (2011)

SPREP will annually prioritise for management response or 'risk treatment' its major risks – those risks that have been assessed as having the highest residual risk exposure: i.e. those which are the most likely to cause the greatest loss and are the least well controlled. Improvements are proposed for each risk assessed as having a risk exposure of 15 and greater. Senior management should be responsible for preventing or minimising these risks.

As SPREP's internal control measures strengthen, risks with the next highest level of residual risk exposure – 6 to 12 – should be targeted by improvement plans, with specific management responsibility.

Risk	Risk exposure	recommendations	costs	benefits	responsibility	due
Secured funding (membership contribution and donor funding)	[12]	<ul style="list-style-type: none"> • Avoid & Reduce the consequences: Propose a mechanism for the SPREP Meeting to adopt, to improve the punctuality of contributions payments: including making the payment of contributions a condition of eligibility to receive SPREP services.] • Develop and implement a donor funding strategy • Improve and maintain effective project and programme design, monitoring and reporting through establishment of project review and monitoring group • Establish and secure funding for the donor liaison position 	Controversy / Member dissatisfaction / Failure to meet countries' needs Staff time Staff time & consultants costs USD100,000 required for the position	More certainty of income / Better Member engagement Improved service delivery to Members Improved donor confidence & increased funding levels	Finance Manager / Executive	SPREP Meeting Sep 2012 SPREP Meeting Sep 2012 By end of September 2011 Include in new organisational structure
Performance management	[8]	Maintain effective regular consultation and engagement with Members through regular contact and visitation by the Executive, management and staff Periodic surveys of Members and donors to assess confidence and quality of delivering services	Staff time & travel	Improved member and donor confidence Better identification of Members priorities Assessing the effectiveness in achieving strategic priorities	All staff	On-going
Staff Recruitment and Retention	[8]	Effective implementation of recruitment policy Panel members trained in recruitment procedures Continuous review of staff terms and conditions and ensure best practices Engagement with CROP WG to address key issues	Staff time, travel and related costs	Recruitment and retention of high quality staff to service members	HR Manager Executive	On-going
Job design analysis and organisational structure	[4]	Periodic assessment of organisational and staffing needs to meet strategic plan priorities	Staff time and related remuneration costs	Strategic priorities and targets are achieved	HR Executive	On-going
Donor compliance and reporting	[12]	Effective implementation of donor institutional and reporting requirements Implementation of international best practices within the organisation	Staff time Related implementation costs	Donor confidence and organisation reputation maintained Increased funding Improved programme/ project implementation	Executive	On-going

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6. MONITORING AND REPORTING

Individual risk management actions:

- 6-monthly report to risk management committee:
 - progress in treating the risk to date;
 - lessons learned (e.g. on costs and benefits); and
 - other recommendations.

SPREP risk management plan:

- 6-monthly report to the executive team:
 - progress in addressing key risks;
 - lessons learned;
 - any relevant changes to SPREP's external and internal contexts/environments; and
 - any emerging risks and trends.
- Annual review of the plan, reported to the executive team and then tabled at the SPREP Meeting:
 - progress in addressing key risks;
 - updated risk assessment: key risks for the coming year; and
 - revised risk management plan for the year.

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Appendix A: Identified risks to SPREP (May 2011)]

Appendix A: Identified risks to SPREP (updated [May 2011])					
Strategic risks: that affect SPREP's ability to achieve key goals					
Risk	Description	Impact	Control	Risk exposure	Accountability
Strategic planning	Lack of alignment between long-term and annual goals or between regional priorities and the work of the secretariat results in confusion over priorities or loss of member or donor confidence. Failure to link annual work plans with Strategic Plan priorities.	HIGH Uncoordinated long term direction of the organisation resulting in under- or non-achievement of key results and priorities for Members attracting key stakeholder criticism and lack of donor confidence	Ensure coherence between annual WPs and monitoring processes through effective work planning and monitoring. Ensure adequate human and financial resources to achieve SP priorities and annual WP implementation.	MEDIUM	Management and staff
Performance management	Delivery of services to key stakeholders do not meet their needs or expectations results in damage to reputation, loss of demand for services and members and service requests moving to other providers. Failure to provide agreed services to membership including proactive response, quality and timeliness of products and services.	HIGH Loss of stakeholder confidence leading to the withdrawal of partnerships and funding support	Maintain proactive delivery of high quality services to Members Ensure partner relationships are productive and effective Maintain internal performance management mechanisms	Medium	Executive and Management team
Organisational reform	Lack of periodic reform results in organisation becoming ineffective	HIGH Loss of member & donor confidence in the organisation	Maintain a regular and ongoing organisational reform	Medium	Executive and management team
Regional institutional reforms	Lack of regular regional institutional reform results in duplication of mandates amongst regional agencies.	MEDIUM Regional agencies are competing rather than collaborating resulting in lack of donor commitment Reduced resources for SP priorities Less effective support to Members	Regional institutional reforms ensure effective delivery of services to Members and maintain donor confidence	Medium	Executive team
Member engagement	Lack of effective engagement with Members may result in not meeting the needs, expectations and priorities of Members	HIGH Lack of confidence by Members and donors Ineffective delivery of services Lack of Member support	Maintain effective regular consultation and engagement with Members through regular contact and visitation by Executive, management and staff Assess ways to improve regional outreach country engagement	Medium	All staff
Engagement with partners	The lack of support from Partners will affect the organisation's ability to deliver effectively on its goals and objectives in the Strategic Plan	MEDIUM The Organisation will lose out on opportunities for regional coordination; Not able to achieve its targets and goals in the Strategic Plan	Regular consultations and joint activities with Partners to deliver SP priorities, such as CROP Joint Country Strategy missions	Medium	All Staff

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Appendix A: Identified risks to SPREP (updated [May 2011])					
Financial Risks: that affect SPREP's Financial position					
Risk	Description	Impact	Control	Risk exposure	Accountability
Budget Management	Poor program/project, and corporate financial planning and management	HIGH Unbudgeted expenditure and funding difficulties. Negative donor relationship.	-Effective Implementation of management controls and checks over budgets and expenditure (rules of internal control procedures -Financial planning & mgt training of staff	Medium	All Budget Holders and Finance Manager
Secured Funding	Donor revenue Low or unpredictable income to meet SP targets and organisation program support: Members contributions Member contributions unpaid by some member countries Funding for Staff positions lack of funding to meet SP staffing priorities	HIGH Curtailed environment programmes and reduced services. Reduced core funding support. HIGH Decreased core funding and reduced financial contingency corporate work plan targets not met Corporate work plan targets not met HIGH Strategic Plan objectives not achieved	Develop and maintain effective & productive relationship with partners. Develop implement and update a donor funding strategy as part of organisational business plan. Monitor on continuing basis financial performance funding requirement and sources of cash flows Regular update to members on status of contribution including annual reporting to SM. Regular communication to members in arrears on need to meet commitments. Organisation funding base strengthened and secured	High	Management and Finance Manager
Financial Reporting	Financial reports does not comply with International Accounting standards as opposed to members needs.	HIGH Lack of confidence by members and donors Access to further external funding reduced	Financial reporting are managed thru control mechanisms that are endorsed by independent audits.	low	Finance Manager
Fraud	Fraud within the Secretariat results in: Illegal use of Secretariat funds	HIGH Qualified audit opinion on financial statements and lack of confidence by external partners	Proper organisational internal control measures and segregation of duties	medium	Finance Manager

Appendix A: Identified risks to SPREP (updated [May 2011])					
Operational Risks(HR): that affect SPREP's ability to achieve key goals					
Risk	Description	Impact	Control	Risk exposure	Accountability
Job Design / Analysis (Organisation Structure)	Organisation structure does not support the Strategic Plan Job design and person specifications does not meet the priorities No market for skills required	HIGH Poor performance – objectives not achieved or poorly completed Reputation at risk when job is poorly done	Ensure structure and staff positions meet SP priorities	HIGH	Executive Management Team HR

Objectives	Overview	Context	Assessment	Control	Monitor/Report	Appendices
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Appendix A: Identified risks to SPREP (updated [May 2011])					
Operational Risks(HR): that affect SPREP's ability to achieve key goals					
Risk	Description	Impact	Control	Risk exposure	Accountability
Staff Recruitment & Retention (Terms & Conditions)	Wrong person appointed to position High staff turnover impact on programmes and projects. High recruitment costs Delays in filling positions Terms and conditions are not competitive or attractive	HIGH Poor performance and position objectives not achieved SP priorities and services to Members delayed or not met Reputation risks – cannot keep good staff High recruitment costs impact on organisation budget Difficult to attract top of the range staff High turnover Low staff morale	Effective implementation of recruitment policy Training and development for those involved in recruitment Improve terms and conditions within SPREP's control Streamline recruiting processes to reduce costs and time taken for recruitment Continuous review of terms and conditions Ensure terms and conditions meet best practices Engagement with CROP review processes to address key issues	HIGH	Executive Management Team HR Staff nominated to be Selection Panel members Executive Management Team HR
Policies and guidelines	Do not address relevant issues Too ambiguous	HIGH Policies and g/lines fail to address key organisational management issues	Ensure that policies and guidelines are practical, relevant and effective and their development involves staff participation Training and development for staff	MEDIUM	Executive Management Team HR
Staff Performance	Policy and guidelines are not followed by managers and staff Lack of communication between managers and staff	HIGH Poor evaluations that do not reflect correct status of staff performance Low morale Unnecessary costs to organisation Unfair assessment to manager and staff Feedback not provided on a timely basis	Staff and Manager workshop sessions Awareness sessions	HIGH	All Staff HR
Staff Development	Inadequate staff development opportunities Poorly planned training and development programmes	MEDIUM Staff less effective Low morale Organisation behind in new developments and technology Reputation as poor employer.	Training and development opportunities provided that meet organisational and staff needs Training and Development policy to be put in place with a supporting annual training schedule	Medium	Executive Management Team HR Managers / Supervisors

Objectives	Overview	Context	Assessment	Control	Monitor/Report	Appendices
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Appendix A: Identified risks to SPREP (updated [May 2011])					
Operational Risks: that affect SPREP's ability to operate smoothly and effectively					
Risk	Description	Impact	Control	Risk exposure	Accountability
Security of premises (applies to all areas)	Unauthorised entry into SPREP premises. Failure to secure premises or develop staff's security awareness.	HIGH Can result in damage or theft of SPREP properties including IT equipment , and failure of some services	24/7 Security Guards + Internal Measures, Regulations & policies Boundary fencing, gates and security lighting maintained in good condition	LOW	Maintenance Supervisor
Property maintenance (applies to all areas)	Poor maintenance of equipments, buildings, furniture, grounds .	HIGH increased expenditure and security risks. IT system may fail	Regular Maintenance + IT – Disaster Recovery Plan 2007 + Disaster Plan 2010 Security policy	LOW	Maintenance Supervisor
Fire (applies to all areas)	Fire in any of SPREP buildings	HIGH Staff safety Fire may result in SPREP unable to meets its obligation and fulfil its mandate It may result in loss of IT system, Staff unable to work Secretariat services and operations	Access to Apia fire services and procedures maintained Availability of Fire fighting equipment + Insurance Policies + Disaster Plan 2010 + IT – Disaster Recovery Plan 2007	LOW	Maintenance Supervisor
Internal /External Tele-communications	Loss of internal and external telecommunications as a result of a break in the main fibre to SPREP or a failure of the PABX system	HIGH Can result in serious loss of communications with the outside world	Use mobile and satellite Phones + Explore having a Satellite communication system in place.	MEDIUM	IT Manager
Energy Management	Poor energy usage and unreliable energy supply energy costs Poor energy management results in excessive energy costs. (services such as internet/telephone/electricity)	MEDIUM Low productivity by staff Excessive costs on electricity and repairs to equipments	Conduct a contingency planning for restoration of service including identification of potential spare parts Ensure a successful energy savings program is in place	Medium	Property Services officer and All staff
IT system Electrical Power Supply	Unreliable power supply from the National Grid	HIGH Complete failure of all IT systems	Standby Generator serviced and maintained Explore opportunities for having a Solar/Wind Power Generator as a standby Power	HIGH	Maintenance Supervisor

Objectives	Overview	Context	Assessment	Control	Monitor/Report	Appendices
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Appendix A: Identified risks to SPREP (updated [May 2011])					
Operational Risks: that affect SPREP's ability to operate smoothly and effectively					
Risk	Description	Impact	Control	Risk exposure	Accountability
IT system Internet Connectivity	Disruption to internet connectivity as a result of a major disasters	HIGH loss of electronic communications with the outside world	Maintain close operational links with service provider Explore prospects for a Satellite communication system	MEDIUM	Management & IT Manager
IT systems capacity and compatibility	Inability to upgrade IT systems	MEDIUM Can result in lower capacity and unreliable IT systems	Monitor IT needs and requirements and timely upgrades implemented	LOW	Management & IT Manager
Data backup	Failure to do routine data backup and inadequate hardware capacity	MEDIUM Can result in failure to recover after a major problem and loss of data	IT-DRP 2007	LOW	IT Manager
IT systems security	Failure of IT systems as a result of computer virus outbreak, hacking or failure to maintain/update software protection	HIGH Can result in failure of IT systems	Firewall/Software Protection (IT - DRP)	MEDIUM	IT Manager
IT systems vendor support	Failure to obtain warranties and after support from vendors	LOW Can result in equipment failure	Vendor Warranties secured	LOW	IT Manager
Insurance	Failure to ensure equipment can be replaced after being damaged, loss, stolen and also as a result of natural disasters	HIGH May result in failure of some IT services	Maintain comprehensive insurance policies	LOW	HR & Admin Manager

Appendix A: Identified risks to SPREP (updated [May 2011])					
Reputation Risks: that affect SPREP's reputation and standing					
Risk	Description	Impact	Control	Risk exposure	Accountability
Publications	Incorrect information is contained in distributed SPREP publications.	HIGH lack of confidence in SPREP from peers and peer organisations. Lack of confidence in SPREP as the lead CROP environment organisation	An official publications editing and peer review system in place as part of the Communications strategy	HIGH loss of credibility of SPREP as the leading environment organisation for the Pacific region	MPRO
Website	Low impact and poorly functioning SPREP website	HIGH Poor 'first impression' of SPREP Information not effectively distributed to on-line public Users lack confidence in SPREP information	Ensure that content of website is current + interesting. KM WG to monitor	HIGH Poor on-line public image wrong information used for distribution in other publications results in SPREP cited incorrectly.	MPRO/WADS
Communications with Media	SPREP is misrepresented in media releases	HIGH Loss of credibility Inaccurate information	Media engagement policy implemented as part of overall communications strategy	MEDIUM Can result in loss of credibility of SPREP as the leading environment organisation for the Pacific region	Media and Public Relations Officer

Objectives	Overview	Context	Assessment	Control	Monitor/Report	Appendices
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Appendix A: Identified risks to SPREP (updated [May 2011])					
Reputation Risks : that affect SPREP's reputation and standing					
Risk	Description	Impact	Control	Risk exposure	Accountability
Misuse of SPREP logo/brand	SPREP logo/brand used without permission	Medium SPREP logo/brand used to promote /endorse products or views, opinions or initiatives in conflict with SPREP values, ethics and mandate Can result in the lack of credibility of SPREP which may result in loss of funding, expressed dissatisfaction with SPREP from member countries.	A SPREP communications strategy for staff to follow which must outline to SPREP staff that the logo is to be used for materials that are in line with the SPREP mandate and vision. SPREP Logo user guidelines to clearly explain the SPREP mandate and vision	HIGH Can result in loss of SPREP credibility	MPRO

Appendix A: Identified risks to SPREP (updated [May 2011])					
Compliance Risks : that affect SPREP's compliance with laws, regulations or requirements					
Risk	Description	Impact	Control	Risk exposure	Accountability
Confidentiality breach	Release of private information leads to legal action. Failure to ensure that personal and sensitive information on staff or key stakeholders is securely stored and not disclosed to a third party. Release of confidential office information	HIGH SPREP's reputation damaged and other institutional losses financial and non-financial Relationships damaged or severed Possible civil action by aggrieved parties	Categorise information according to sensitivity and put in place clearance levels Reflect this in the staff regulations and privacy-confidentiality policy (if there is one)	Low	Management
Donor compliance and reporting	Lack of compliance with donor institutional requirements and project / programme reporting may lead to diminishing donor confidence and support	HIGH Less opportunity for accessing donor funds and support	Ensure that donor institutional requirements are integrated into the organisation's administrative and financial management system	High	Executive and relevant Programme Managers/ Supervisors
Other Contractual breaches	Non-compliance with contract conditions	MEDIUM Possible civil action by aggrieved parties	Appropriate insurance policies or where not practical adequate self-insurance Access to competent legal advice	Low	Management/ ELA
Harm to third parties other than through a contractual relationship	Traffic accidents, copyright infringements, defamation etc.	MEDIUM Possible civil or criminal action, attracting adverse publicity	Appropriate insurance policies or where not practical adequate self-insurance General awareness Access to competent legal advice	Low	Management/ ELA

Appendix B: Risk analysis tools

LIKELIHOOD	
Rating	Description
almost certain	Will occur / not unusual: e.g. more than 10 times per year
likely	Should occur in most instances / has occurred several times: e.g. 2 to 10 times per year
possible	Could occur: once every 1 to 5 years
unlikely	Not expected to happen but could not be ruled out: e.g. once every 5 to 10 years
rare	Only in exceptional circumstances / something like this has happened elsewhere: e.g. less than once every 10 years

CONSEQUENCES					
Rating	Strategic	Financial	Operational	Reputation	Compliance
Severe	Inability to remain viable	Total loss of budget	Loss of life / inability to continue operations for a significant period	Permanently destroy credibility with a number of donors or partners (widespread) / highly public embarrassment	Critical, systemic breach
high	Need to significantly change direction	Loss of >25% of budget	Major loss of physical infrastructure / major disruption to operational systems and processes / significant loss of staff	Permanent loss of credibility with a donor or partner / high profile negative media	Critical, non-systemic breach
medium	Inability to meet a number of key goals	Loss of 10-25% of budget	Medium-term disruption to operational systems and processes / loss of some staff	Temporary loss of credibility with donors or partners / some negative media	Non-critical, systemic non-compliance
moderate	Inability to meet a key goal	Loss of <10% of budget	Loss of some non-critical physical infrastructure / short-term disruption to operational systems and processes	Temporary loss of credibility with a donor or partner / low profile media	
low	Delay in meeting a key goal	Minor impact on budget	Very short-term disruption to operations	Very short-term loss of credibility with donors or partners / no media	Non-critical, non-systemic non-compliance

Appendix C: Control effectiveness assessment

CONTROLS	
Effectiveness rating	Description
1 – Excellent	Controls are fit for the purpose, are in place and are being used by staff. They mitigate the risk to the maximum extent.
2 – Very good	Controls are adequate. There is room for a small improvement.
3 – Good	The majority of the risk is managed. However, there is potential for the controls to fail. An improvement is recommended.
4 – Unacceptable	Controls and procedures are inadequate in themselves or they lack checks and oversight to ensure they operate correctly. The controls should be revised and strengthened.
5 – None	Controls are non-existent or ineffective, or staff are unaware of them. New controls need to be developed.