

Funding Method: Low Risk Assessment

The purpose of low risk assessments are:

- to quickly and efficiently distribute funds to the community groups that we currently fund
- to align the throughput of low risk applications with donation value and reduce unnecessary compliance costs for applicants.

Procedure

What	How	Who	Time to Meeting
Application	1. Normal application, receipt, and data entry processes apply.	AO	7-10 weeks
Processing	2. Eligible applications are coded "Low Risk" when they are received based on the Target Applicant criteria.	AO	6-8 weeks
Assessment	3. A full risk assessment is undertaken to identify applications that meet Low Risk Criteria.	DA	5 weeks
	4. Applications that do not meet the Criteria are re-coded as "Standard" and assessed using the Standard Funding Method. This includes all declined applications.	DA	
	5. A Low Risk Assessment: Audit & Review Coversheet is generated for the meeting.	DA	
Quality Assurance	6. Peer and Management Reviews completed to check risk criteria have been applied correctly.	DA, GM	4 weeks
Reporting	7. Interim Report sent to Board for review.	GM	3-4 weeks
	8. Board review Low Risk applications – if through their local knowledge, they believe the project or applicant does not meet Low Risk Criteria. These are then assessed as Standard Applications.	B	3 weeks
	9. Final Report circulated with Donations Agenda.	GM	2 weeks
Approval	10. Trustees ratify donations at Board Meeting.	B	Board Meeting
Accountability / Reporting	11. Internal Process Audit completed and tabled with Audit and Risk Committee for review.	GM	6 monthly
	12. Normal accountability processes apply for applicants.	AO	1-2 years

Target Applicant

In

Small Donations (up to \$10K)
Regular applicants
Stable, established organisations

Out

Larger Donations (over \$10K)
New applicants

Low Risk Criteria

All boxes must be ticked for the Application to be eligible for a Low Risk Assessment.

Project Review	Is the group due for a Standard Assessment? A Standard Assessment must be completed once every 4 years. This is a risk-mitigation measure to reassess community need and ensure funded projects continue to benefit the community.	<input type="checkbox"/> No
Donations History	Has the group received at least 1 donation in the last 2 years?	<input type="checkbox"/> Yes
Amounts Recommended	Project will receive a recommended amount below \$10K?	<input type="checkbox"/> Yes
Purpose	Is the Project applied for this within policy? Is the Project a Permitted Activity?	<input type="checkbox"/> Yes <input type="checkbox"/> Yes
Financial checks	Does the group have: <ul style="list-style-type: none">• positive Net Assets <u>and</u>• positive Working Capital <u>and</u>• positive Working Capital + Net Income (Loss)	<input type="checkbox"/> Yes
Risks	Does the group have any outstanding accountability issues? Are there any current risks noted in DMS? or otherwise known about the organisation? Is the organisation a legal entity?	<input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> Yes

Permitted Activities

In

Operating costs
Business-as-usual activities
Repairs & maintenance
Equipment
Programmes & events

Out

Activities outside ECCT policy
New or large building/ facilities projects
Significant new programmes or events
Seed funding

Peer Review Procedure

Required Rate:
100% Agreement

This means that Assessor & Peer Reviewer agree on the recommendations made using the Low Risk Assessment process.

1. The Peer Reviewer checks the recommendations made by the Assessor to make sure they align with the Low Risk Criteria and Permitted Activities.
2. Any amendments are discussed and agreed and recorded on the *Low Risk Assessments – Audit & Review Coversheet*. Differences between the initial assessments of the Assessor & Peer Reviewers are also recorded – even where it is mutually agreed that the application should proceed as low risk.

Management Review Procedure

Required Rate:
80% of Sample Compliant

This means at least 98% of Low Risk applications will meet the prescribed requirements for Low Risk Assessment.

1. The Management Review is a two part review completed by the General Manager.
2. A minimum of 10% Low Risk Applications are randomly selected to review.
3. A *Low Risk Assessment – General Manager Review Form* is completed to document this:

Part 1 DMS Is used to check the application meets:

- a) Low Risk Criteria
- b) Permitted Activities

Part 2 All applicant and application information (including notes from previous applications) is reviewed to make sure that the same recommendations would have been made if a Standard Assessment had been completed.

Non Compliance

1. The application is discussed with the Donations Assessors to determine the rational for the recommendation.
2. If the compliance rate is still less than 80%, then a further 10% of applications are reviewed to identify the scope of the problem. If compliance is achieved, then the Report is approved as submitted.
3. If further sampling identifies non compliance, then a review of the Low Risk Assessment Funding Method is completed to identify and fix the issue. Low Risk Applications will be re-assessed using the revised Funding Method, or a Standard Assessment will be completed.

Internal Audit Procedure

**Required Rate:
100% Compliance**

This means that the Internal Auditor agrees with the process that has been followed in determining the applications for approval.

1. The Internal Auditor checks that the Low Risk Assessment procedure has been followed correctly.
2. If everything is in order and compliant the Internal Auditor signs off the cover sheet.
3. If there are any breaches of this procedure they are to be discussed with the General Manager. These are to be reported to the Audit & Risk Committee at their next meeting, or to a meeting of the full Board, whichever occurs first.
4. The General Manager is tasked with rectifying the alleged breach and will report actions taken to the Audit & Risk Committee. These actions may include training, operational changes and policy or procedural amendments.
5. A six monthly report on the findings of the Low Risk Assessment Internal Audit will be tabled for the Audit & Risk Committee to consider and ratify.

Key Documents

- a) Donations Policy
- b) Interim Report – Low Risk Donations
- c) Board Ratification Report – Low Risk Donations
- d) Low Risk Assessments – General Manager Review Form
- e) Low Risk Assessments – Board Review Form
- f) Low Risk Assessments – Audit & Review Coversheet
- g) Low Risk Assessments – Internal Process Audit Review Form
- h) Training Manuals (to be developed)

Document History

Description	Funding Method: Low Risk Assessment
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