



# **RANCCB 2016/2017 CORPORATE PLAN**



## TABLE OF CONTENTS

	<b>Page</b>
<b>1. Introduction</b>	<b>3</b>
<b>2. Purposes</b>	<b>3</b>
<b>3. Environment</b>	<b>6</b>
<b>4. Performance and Capability</b>	<b>8</b>
<b>5. Measurement and Assessment</b>	<b>12</b>
<b>6. Risk Oversight and Management</b>	<b>13</b>
<b>7. Strategic Risk Register</b>	<b>15</b>



## 1. Introduction

This 2016/2017 Corporate Plan for the Royal Australian Navy Central Canteens Board trading as Navy Canteens (“Navy Canteens”) covers the period 1 July 2016 to 30 June 2020. The plan is provided to meet the obligation under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

## 2. Purposes

### 2.1 Vision

The vision for Navy Canteens is stated as “*benefitting the Navy family*”.

### 2.2 Mission

The mission for Navy Canteens is stated as “*to grow sustainable valued benefits for the Navy family*”.

### 2.3 Navy Canteens Regulations (1954)

Under the *Navy Canteens Regulations (1954)*, Navy Canteens exists to make grants to the Royal Australian Navy Relief Trust Fund (RANRTF), and to make grants and loans to persons operating canteens, clubs, cinemas or other institutions or facilities for the welfare and entertainment of serving Naval members. These regulations provide that the Directors shall, subject to and in accordance with the Regulations, apply monies and property of the organisation; provide grants; loans and benefits for members of the Royal Australian Navy and further provide grants to the RANRTF.

The mission outlined at section 2.2, to grow sustainable valued benefits for the Navy family, will be enabled by Navy Canteens growing profitability through commercial business undertakings, delivering enhanced benefits to the Navy community, and maintaining efficient and effective governance of the Navy Canteens organisation.

### 2.4 Strategy

The goals and underlying objectives of Navy Canteens are detailed below. Refer to Section 7 Strategic Risk Register for detail in respect to individual strategic risks.

## Goal 1 - Ensure a safe environment (Safety Focus)

### Objectives

- Instil Food Safety Hazard Analysis Critical Control Points (HACCP) as routine practice
- Develop managers to deliver a healthy workplace culture
- Deliver safety trend analysis and reporting to management and the board

### Strategic Risk

SR2 – Failure to maintain a safe work environment

SR3 – Failure to maintain a safe environment for customers

SR7 – Reputational damage within Navy



## **Goal 2 - Ensure strong governance of Navy Canteens (Governance Focus)**

### **Objectives**

- Define our Navy Canteens business battle rhythm / cycle
- Transition to new Navy Canteens Regulations 2016
- Continue to have unqualified accounts
- Achieve assurance of appropriate fraud management
- Develop and approve a funded ICT refresh program for 2017/2019
- Apply a revised ABR5101 – Instructions for Service Funds

### **Strategic Risk**

**SR4 – Failure to maintain internal systems of control**

**SR5 – Failure to maintain stable and reliable information technology infrastructure and systems**

**SR6 – Failure to make or maintain distributions to Navy**

**SR7 – Reputational damage within Navy**

## **Goal 3 – Grow and deliver valued benefits to the Navy family (Benefit Focus)**

### **Objectives**

- Rationalise management of grants to increase benefit to Navy family
- Better understand what is valued by the Navy family
- Communicate to grow brand awareness at sea and ashore

### **Strategic Risk**

**SR1 – Failure to maintain financial viability**

**SR6 – Failure to make or maintain distributions to Navy**

**SR7 – Reputational damage within Navy**

## **Goal 4 - Grow profitability through sustainable businesses (Revenue Focus)**

### **Objectives**

- Return a profit for the canteen group for FY 16/17
- Identify new opportunities to partner and grow
- Grow Win with Navy participation to 3,300 members by end of FY 16/17
- Develop and approve a board funded capital works program for 2017/2019
- Develop and approve a funded ICT refresh program for 2017/2019
- Grow profitability from conduct of functions

### **Strategic Risk**

**SR1 – Failure to maintain financial viability**

**SR4 – Failure to maintain internal systems of control**

**SR5 – Failure to maintain stable and reliable information technology infrastructure and systems**

**SR7 – Reputational damage within Navy**



## **Goal 5 - Foster strong collaborative relationships (Relationships Focus)**

### **Objectives**

- Develop the relationship with the ANAO to improve governance
- Finalise and implement agreement with E&IG to support Navy Canteens
- Develop annual program of engagement with Navy command
- Engage with DGNPSI to incorporate Navy Canteens requirements in the Navy facilities program

### **Strategic Risk**

**SR6 – Failure to make or maintain distributions to Navy**

**SR7 – Reputational damage within Navy**

In year narratives are as follow:

**FY 16/17** - Drawing on our experience, adjust the business to increase our profitability

**FY 17/18** - Maximise profitability through sustainable businesses

**FY 18/19** - Continue profit growth and pursue new future opportunities

**FY 19/20** - Review longer term business strategies based on FY 18/19 performance



### 3. Environment

#### 3.1 Stakeholders

Senator The Honourable Marise Payne currently has portfolio responsibility for Navy Canteens, subject to allocation of Defence Portfolio responsibilities.

The Chief of Navy, Vice Admiral Tim Barrett, AO, CSC, RAN has been the principal of Navy Canteens since being appointed Chief of Navy on 1 July 2014.

The Navy Canteens Board is chaired by Commodore Ian Murray, RAN who was appointed Chairperson of the Royal Australian Navy Central Canteens Board on 3 December 2013. In addition to Commodore Murray, there are six other naval officers who are directors on the Board: Commodore Michael Miko RAN, Captain John Metzl RAN, Captain Guy Blackburn RAN, Lieutenant Commander Heidi Rossendell RANR, Lieutenant Adelaide O'Connor RAN and Command Warrant Officer Stephen Downey.

#### 3.2 Industries

The activities of Navy Canteens span a number of industries including food and beverage, holiday and tourism, promotional products, entertainment and fundraising. The activities of Navy Canteens connects the organisation to both Defence and the general public.

Business Activity	Industry	Defence	Navy Only	General Public
Canteen operations on Naval establishments	Food and beverage	✓		✓
Other services to Navy	Food and beverage		✓	
Navy merchandise	Promotional products	✓		✓
Holiday centres	Holiday and tourism	✓		✓
Win with Navy raffle	Gaming / Fundraising		✓	
Navy Ticketing	Entertainment	✓		

**Figure 1: Matrix of Navy Canteens customer groups per business activity.**

The Win with Navy raffle is administered on behalf of Navy Canteens by the Returned Services League of Australia (Queensland Branch). Participation is restricted to Navy personnel only and undertaken in compliance with Gaming legislation. There is a very low limit (\$10) placed on the maximum amount that individuals can commit to the raffle and all profits are redistributed back to the Navy family through the normal provision of grants and disbursements.



### **3.3 Factors in full control of the entity**

Navy Canteens disburses grants in accordance with the Navy Canteens Regulations (1954). The regulations determine that serving Navy personnel are to be the beneficiaries of the business, although second and third order benefits are passed on to members of the wider Defence organisation where available. Navy Canteens is in full control of decisions to disburse grants from its funds.

In consultation with the Chief of Navy, Navy Canteens determines the portfolio of businesses it operates, and is in full control of the decisions to commence, vary or cease business undertakings. Navy Canteens is also in full control of access to the services it provides. For example, the holiday centres operated by Navy Canteens are open to the general public throughout the year and Defence members receive discounts on accommodation charges. Navy Ticketing utilises industry contacts to procure its discounted product, and the service provided is restricted to Defence members.

### **3.4 Factors in partial control of the entity**

Whilst Navy Canteens controls the operation of its canteen businesses on Navy establishments, Navy Canteens management works collaboratively with local Commands and Base administrative staff to meet their specific on-base requirements.

Navy Canteens has only partial control of some aspects of the maintenance and upkeep of its facilities on Navy establishments, as this is a matter managed in collaboration with Defence Estate and Infrastructure Group (EI&G), and is subject to normal Defence resource requirements.

### **3.5 Factors beyond the control of the entity**

Navy Canteens is, from time to time, subject to factors beyond its control. Examples include:

- Changes to legislation, regulation and Defence policy; although Navy Canteens is often invited to provide comment on proposed changes.
- Security requirements on Defence establishments which impose restrictions on the normal conduct of business, such as limiting access by members of the public, contractors or suppliers.
- Changes in Defence base populations, such as changes to recruit numbers on Navy training establishments.
- Changes in the competitive public marketplace for products such as the merchandise sold online by SALT, and changes in demand in the domestic tourism market.



#### 4. Performance

2016/2017

Purpose					
<i>To grow sustainable valued benefits for the Navy family</i>					
Activity	Activity	Activity	Activity	Activity	Activity
Canteen operations on Navy establishments	Other services to Navy	Navy merchandise	Holiday centres	Win with Navy raffle	Navy Ticketing
Intended Results	Intended Results	Intended Results	Intended Results	Intended Results	Intended Results
Achieve overall profit for the entire canteen group  Rationalisation of services where necessary following profitability review of all sites	Increased revenue from National Fleet Pricing on Coca Cola Amatil products  Canteen goods supply to RAN ships  Increased revenue from additional vending on all bases	Increased revenue from merchandise sales on Navy ships.  Increased revenue from merchandise sales in Navy canteens  New merchandise range	Increased revenue from greater occupancy  Increased revenue from additional investment	Increased revenue through greater participation	Increased revenue streams through commissions
Delivery Strategy	Delivery Strategy	Delivery Strategy	Delivery Strategy	Delivery Strategy	Delivery Strategy
Expansion of food offering  Maintain focus on reducing Cost of Goods Sold  Maintain focus on control of labour costs  Develop profitable cost centres across canteen operations	Increased direct communication with Navy personnel and circulation of information within Navy  Develop relationships with Fleet Units Maritime Logistics Officers	Increased direct communication with Navy personnel and circulation of information within Navy  Better display of merchandise within canteens  Address merchandise quality concerns	Increased marketing activity  Targeted facility development planning and investment	Increased direct communication with Navy personnel and circulation of information within Navy  Variation to prize offerings.  Refine management of Direct Debit payment process	Continue development with third parties

**Figure 2: Matrix of Navy Canteens 2016/2017 performance and capability information.**



2017/2018

<b>Purpose</b> <i>To grow sustainable valued benefits for the Navy family</i>					
<b>Activity</b>	<b>Activity</b>	<b>Activity</b>	<b>Activity</b>	<b>Activity</b>	<b>Activity</b>
Canteen operations on Navy establishments	Other services to Navy	Navy merchandise	Holiday centres	Win with Navy raffle	Navy Ticketing
<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>
Achieve overall profit for the entire canteen group	Increased revenue from National Fleet Pricing on Coca Cola Amatil products  Increase canteen goods supply to RAN ships  Maintain revenue from vending on all bases	Increased revenue from Navy units  Increased revenue from merchandise sales in canteens	Increased revenue from greater occupancy  Increased revenue from additional investment – possible acquisition of new serviced apartment and sale of an existing property	Increased revenue through greater participation	Increased revenue streams through commissions
<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>
Maintain focus on reducing Cost of Goods Sold  Maintain focus on control of labour costs  Improve canteen facilities available on Navy establishments	Increased direct communication with Navy personnel and circulation of information within Navy  Negotiation of more advantageous supplier arrangements as scale of business grows	Increased direct communication with Navy personnel and circulation of information within Navy	Increased marketing activity  Research into recreation preferences of Navy personnel	Increased direct communication with Navy personnel and circulation of information within Navy  Variation to prize offerings	Continue partnering with third parties

**Figure 3: Matrix of Navy Canteens 2017/2018 performance and capability information.**



2018/2019

<b>Purpose</b> <i>To grow sustainable valued benefits for the Navy family</i>					
<b>Activity</b>	<b>Activity</b>	<b>Activity</b>	<b>Activity</b>	<b>Activity</b>	<b>Activity</b>
Canteen operations on Navy establishments	Other services to Navy	Navy merchandise	Holiday centres	Win with Navy raffle	Navy Ticketing
<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>	<b>Intended Results</b>
Achieve overall profit for the entire canteen group	Increased revenue from National Fleet Pricing on Coca Cola Amatil products  Canteen goods supply to RAN ships  Maintain revenue from vending on all bases	Increased revenue from Navy units  Increased revenue from merchandise sales in canteens  New merchandise range	Increased revenue from greater occupancy	Increased revenue through greater participation	Increased revenue streams through commissions
<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>	<b>Delivery Strategy</b>
Maintain focus on reducing Cost of Goods Sold  Maintain focus on control of labour costs  Improve canteen facilities available on Navy establishments	Increased direct communication with Navy personnel and circulation of information within Navy	Increased direct communication with Navy personnel and circulation of information within Navy	Increased marketing activity	Increased direct communication with Navy personnel and circulation of information within Navy	Continue partnering with third parties
Explore new opportunities	Explore new opportunities	Explore new opportunities	Explore new opportunities	Explore new opportunities	Explore new opportunities

**Figure 4: Matrix of Navy Canteens 2018/2019 performance and capability information.**



2019/2020

<b>Purpose</b> <i>To grow sustainable valued benefits for the Navy family</i>					
Activity	Activity	Activity	Activity	Activity	Activity
Canteen operations on Navy establishments	Other services to Navy	Navy merchandise	Holiday centres	Win with Navy raffle	Navy Ticketing
Intended Results	Intended Results	Intended Results	Intended Results	Intended Results	Intended Results
Achieve overall profit for the entire canteen group	Increased revenue from National Fleet Pricing on Coca Cola Amatil products  Canteen goods supply to RAN ships  Maintain revenue from vending on all bases	Increased revenue from Navy units  Increased revenue from merchandise sales in canteens  New merchandise range	Increased revenue from greater occupancy	Increased revenue through greater participation	Increased revenue streams through commissions
Delivery Strategy	Delivery Strategy	Delivery Strategy	Delivery Strategy	Delivery Strategy	Delivery Strategy
Maintain focus on reducing Cost of Goods Sold  Maintain focus on control of labour costs  Improve canteen facilities available on Navy establishments	Increased direct communication with Navy personnel and circulation of information within Navy	Increased direct communication with Navy personnel and circulation of information within Navy	Increased marketing activity	Increased direct communication with Navy personnel and circulation of information within Navy	Continue partnering with third parties
Implement any new opportunities identified from previous year	Implement any new opportunities identified from previous year	Implement any new opportunities identified from previous year	Implement any new opportunities identified from previous year	Implement any new opportunities identified from previous year	Implement any new opportunities identified from previous year

**Figure 5: Matrix of Navy Canteens 2019/2020 performance and capability information.**



## 5. Measurement and Assessment

The following table contains the performance measurement by business activity for the periods covered by the plan.

Business Activity	Performance Measurement	2016/2017	2017/2018	2018/2019	2019/2020
Canteen operations on Naval establishments	Comparison of actual net profit to budgeted net profit	Within 10%	Within 10%	Within 10%	Within 10%
	Labour % (Total Labour Cost as % of Gross Revenue)	33%	31%	29%	28%
	COGS % (Total COGS as % of Gross Revenue)	50%	48%	46%	45%
	Staff retention rate (%)	72%	74%	76%	77%
	Annual Customer satisfaction survey – overall satisfaction level of satisfied or better	75%	80%	85%	85%
Other services to Navy	Number of Major Fleet Unit customers supplied	5	10	15	15
Navy merchandise	Total revenue growth (over previous year)	10%	15%	20%	20%
Holiday centres	Total revenue growth (over previous year)	3%	3%	3%	3%
	Total number of customer complaints received annually	36	36	36	36
Win with Navy raffle	Number of Navy participants	3,300	3,600	3,900	4,200
Navy Ticketing	% Number of tickets sold to Navy	55%	60%	65%	65%
	Total number of ticket sold to Defence	15,000	15,500	16,000	16,000
	Commission from Third Party arrangements	\$10,000	\$20,000	\$40,000	\$40,000
Total Navy Grants	Inclusive of Navy Sports Council, RANRTF, Shore establishments, RANCCB grants program	\$560,000	\$606,000	\$670,000	\$720,000



## **6. Risk Oversight and Management**

### **6.1 Navy Canteens Board**

The Navy Canteens Board is actively engaged by the Senior Executive in all areas of risk management. Risk is considered at Board meetings as a normal part of the CEO and CFO reports. Daily management and oversight of the operations of Navy Canteens is delegated to the CEO with reputational and contractual risk being referred where appropriate to the Board and its Committees.

### **6.2 Risk Compliance and Audit Committee**

The Navy Canteens Board is advised by the Risk Compliance and Audit Committee which continually reviews and periodically internally audits the conduct of the Navy Canteens organisation. The Committee normally meets twice as frequently as the Board and reports directly to each Board meeting to ensure all Directors are appraised of aggregated risk in all areas. The CEO is a permanently invited member of the Committee and it is advised by the CFO.

### **6.3 Director Prerequisites**

The Navy Canteens Board constitution requires all Directors to have undertaken the Australian Institute of Company Directors Course. This course provides training and assessment in all business areas including risk oversight and management. All Directors, except the most recently appointed director, have completed this course. Risk management is also addressed through Director diversity in the Board environment, with skill sets identified to complement Board requirements during director recruitment. The Board currently comprises five male directors and two female directors. The gender balance will be improved in FY 16/17 when Directors next step down from the Board. One director is a member of the Royal Australian Naval Reserve.

### **6.4 Audit Regime**

Navy Canteens is subject to annual audit. This audit is administered by the Australian National Audit Office (ANAO) who provide independent advice on the risk and compliance status of Navy Canteens. This advice is incorporated in the Navy Canteens Annual Report to the responsible Minister which is tabled in Parliament. Navy Canteens maintains a regime of internal audit to supplement the annual audit and entrench a culture of transparency, innovation, compliance and continuous improvement.

### **6.5 Risk Register**

Navy Canteens maintains a risk register which addresses and records key risks managed by the organisation. This is administered through the Risk, Compliance and Audit Committee with full transparency to the Board.

### **6.6 Work Health and Safety (WHS)**

The Navy Canteens Work Health and Safety Management System (WHSMS) applies to all business units, sites and offices of Navy Canteens and any other sites controlled by the organisation, along with any project involving Navy Canteens' workers.



The purpose of the WHSMS is to establish and maintain a structured approach to the management of health and safety in the workplace so that the organisation can achieve a consistently high standard of safety performance. In addition, Navy Canteens strives to meet its obligations to ensure a safe workplace for all workers by compliance to all relevant work health and safety legislation and industry best practice. The Chairperson and CEO routinely attend the Navy Safety Board to brief the Chief of Navy on Navy Canteens WHS performance.

The Navy Canteens WHS is managed in conjunction with the following registers of the Navy Canteens WHSMS:

Type of Register	Detail	Register Title
<b>Contractor Register</b>	A current list of all major contractors and their details is maintained in the Contractor Register.	Navy Canteens Contractor Register
<b>Hazardous Tasks and WHS Risk Register</b>	Hazards and Risks are identified through consultation with all site workers, managers and supervisors and are addressed in the Hazardous Task register.	Navy Canteens Hazardous Task Register
<b>Training Registers</b>	A list of all current training and qualifications held by workers are detailed in these registers. These registers also document various induction training and other training held with all stakeholders.	Navy Canteens Training Registers (compiled for each operation)
<b>Hazardous Goods Register</b>	A list of hazardous substances that exist in the work place are listed in this register. A copy of the Safety Data Sheets (SDS) are forwarded to the person responsible for First Aid.	Navy Canteens Hazardous Goods Register
<b>Electrical Equipment Register</b>	This register lists the electrical equipment that is brought on site and ensures that the use of electrical wiring, equipment, portable tools and extension leads is in accordance with applicable codes and standards including AS3012, Electrical Installations – Construction and Demolition Sites and AS3000, Wiring Rules.	Navy Canteens Electrical Equipment Register
<b>Injury and Incident Register</b>	All injuries and incidents are listed in this register. All injuries are reported to the HR Manager and CEO. A summary is presented to the Board at each meeting.	Navy Canteens Injury and Incident Register
<b>Plant and Equipment Register</b>	Regular inspections and maintenance of all plant and equipment is maintained in accordance with the relevant standard and manufacturer’s recommendations.  The inspection and maintenance history of each item is documented in this register.	Navy Canteens Plant and Equipment Register
<b>Asbestos Register</b>	This register contains the required information regarding identified Asbestos in Navy Canteens workplaces.	Navy Canteens Asbestos Register

## 7. Strategic Risk Register

Strategic Risk Key			
<b>Low</b> 	<b>Medium</b> 	<b>High</b> 	<b>Extreme</b> 

Legend	Owner	Legend	Owner
RCA	Risk Compliance and Audit Committee	CEO	Chief Executive Officer
NOM	National Operations Manager	CFO	Chief Financial Officer
NHM	National HR Manager	ANAO	Australian National Audit Office
BM	Business Unit Managers	Audit	Internal audit

Strategic Risk 1 - Failure to maintain financial viability			SR1
<b>Target Risk: Medium</b> 	<b>Inherent Risk: High</b> 	<b>Residual Risk: Medium</b> 	
<b>Champion(s):</b> Board and CEO			
<b>Risk Description:</b>			
<ul style="list-style-type: none"> <li>Fail to maintain financial viability</li> </ul>			
<b>Failure could look like:</b>			
<ul style="list-style-type: none"> <li>Unplanned deficits / erosion of surplus</li> <li>Degradation of service delivery</li> <li>Reduction in grants to Navy family</li> <li>Degradation of asset quality</li> </ul>			
Controls and Ownership			
<b>Controls:</b>		<b>Owner(s):</b>	
<ul style="list-style-type: none"> <li>Integrated planning and budgeting</li> <li>Monthly management accounts reviewed by Board</li> <li>Asset management practices</li> <li>Identify additional cost savings</li> <li>More rigorous, contestable budgeting process</li> </ul>		Executive CFO, Board Executive CEO, NOM RCA, CFO, CEO	

Strategic Risk 2 - Failure to maintain a safe work environment		SR2
<b>Target Risk: Low</b> 	<b>Inherent Risk: Extreme</b> 	<b>Residual Risk: Low</b> 
<b>Champion(s):</b> Board and Executive		
<b>Risk Description:</b> <ul style="list-style-type: none"> <li>Fail to maintain a safe work environment – workplace health and safety arrangements are inadequate</li> </ul>		
<b>Failure could look like:</b> <ul style="list-style-type: none"> <li>Death or serious harm to an employee and contractors</li> <li>Increase in WHS incidents or near misses</li> <li>Prosecution of directors / senior executives</li> <li>Reputational damage</li> <li>Employee turnover or poor recruitment</li> </ul>		
Controls and Ownership		
<b>Controls:</b> <ul style="list-style-type: none"> <li>Governance, compliance, assurance and reporting framework (including WHS audit program)</li> <li>Quarterly Reporting to CN and Navy Safety Board</li> <li>Monthly trend analysis of injuries, incidents, hazards and near misses</li> <li>Monthly management WHS teleconference meetings</li> <li>Executive commitment to WHS demonstrated</li> <li>Inductions</li> <li>Reviews of WHS Reporting by RCA and Board</li> </ul>		<b>Owner(s):</b> Executive  Chairperson, CEO CEO, NHM  CEO, NHM CEO, NHM, NOM, BM BM, NOM, NHM RCA, Board

**Strategic Risk 3 - Failure to maintain a safe environment for customers**

**SR3**

**Target Risk: Low**



**Inherent Risk: Extreme**



**Residual Risk: Low**



**Champion(s):** Board and Executive

**Risk Description:**

- Fail to maintain a safe environment for customers

**Failure could look like:**

- Death or serious harm to a customer (i.e. food poisoning or physical injury)
- Increase in WHS incidents or near misses
- Prosecution of directors / senior executives
- Reputational damage
- Loss of customers

**Controls and Ownership**

**Controls:**

- Governance, compliance, assurance and reporting framework (including audit)
- Monthly management WHS teleconference meetings
- Executive commitment to WHS demonstrated
- Monthly trend analysis of injuries, incidents, hazards and near misses
- Quarterly Reporting to CN and Navy Safety Board Inductions
- WHS trend reviews by RCA Committee
- HACCP
- Arborist activity/program
- Electrical tagging
- Compliance with local council regulations and building codes

**Owner(s):**

Executive  
  
CEO, NHM, BM  
CEO, NHM, NOM, BM  
CEO, NHM  
  
Chairperson, CEO  
RCA  
BM, NOM, NHM  
BM  
BM  
BM

Strategic Risk 4 - Failure to maintain internal systems of control		SR4
<b>Target Risk: Low</b> 	<b>Inherent Risk: High</b> 	<b>Residual Risk: Low</b> 
<b>Champion(s):</b> CFO		
<b>Risk Description:</b> <ul style="list-style-type: none"> <li>Fail to maintain internal systems of control</li> </ul>		
<b>Failure could look like:</b> <ul style="list-style-type: none"> <li>Systems are compromised</li> <li>Data is lost, stolen or corrupted</li> <li>Increasing severity and frequency of incidences of non compliance</li> <li>Reportable breaches of compliance</li> <li>Loss of confidence in systems</li> <li>Reputational damage</li> <li>Reducing profitability</li> </ul>		
Controls and Ownership		
<b>Controls:</b> <ul style="list-style-type: none"> <li>Board governance</li> <li>Governance, compliance, assurance and reporting framework (including external and internal audit)</li> <li>Systems of risk oversight and management</li> <li>Documented procedures, processes and user manuals</li> <li>Annual ANAO Audit</li> <li>Internal Audit Program</li> <li>Whistleblower scheme</li> </ul>		<b>Owner(s):</b> Board Board, RCA, Executive  CFO CFO, NOM ANAO, CFO, RCA RCA Employees

**Strategic Risk 5 - Failure to maintain stable and reliable information technology infrastructure and systems**

**SR5**

**Target Risk: Low**



**Inherent Risk: High**



**Residual Risk: Low**



**Champion(s): CFO**

**Risk Description:**

- Fail to maintain stable and reliable information technology infrastructure and systems

**Failure could look like:**

- Loss of revenue
- Loss of critical systems at key times, impacting operations
- Loss of data
- Loss of productivity (from systems downtime)
- Loss of confidence in systems
- Reputational damage
- Qualification of Audit Opinion

**Controls and Ownership**

**Controls:**

- Business continuity plans
- Crisis management plan
- Contract with reputable and capable IT provider
- Approved and funded ICT refresh program for 2017/19

**Owner(s):**

Executive, NOM, BM  
Executive  
Executive  
CEO, Board

Strategic Risk 6 - Failure to make or maintain distributions to Navy		SR6
<b>Target Risk: Low</b> 	<b>Inherent Risk: Medium</b> 	<b>Residual Risk: Low</b> 
<b>Champion(s):</b> Board		
<b>Risk Description:</b> <ul style="list-style-type: none"> <li>Fail to disburse any funds to Navy other than the Relief Trust Fund</li> </ul>		
<b>Failure could look like:</b> <ul style="list-style-type: none"> <li>No grants paid to Navy</li> <li>No funds provided to Navy Sports Council</li> <li>No distributions paid to shore establishments</li> <li>Depletion of cash reserves</li> </ul>		
Controls and Ownership		
<b>Controls:</b> <ul style="list-style-type: none"> <li>Accurate budget planning process incorporating provision for grants</li> <li>Robust grant management process</li> <li>Review by the board of monthly management financial reporting and performance</li> <li>Open communication with Navy Sports Council and other Navy stakeholders</li> <li>Cash flow forecasting</li> </ul>		<b>Owner(s):</b> Executive, Board  Grants Committee Board  Chairperson, Chair Grants Committee CFO

Strategic Risk 7 - Reputational Damage within Navy		SR7
<b>Target Risk: Low</b> 	<b>Inherent Risk: Extreme</b> 	<b>Residual Risk: Low</b> 
<b>Champion(s):</b> Board and CEO		
<b>Risk Description:</b> <ul style="list-style-type: none"> <li>• Damage to the Navy Canteens brand within Navy such that it makes it commercially unviable to operate canteens on Navy bases or authority to operate on bases is removed</li> </ul>		
<b>Failure could look like:</b> <ul style="list-style-type: none"> <li>• Food poisoning outbreaks</li> <li>• Inappropriate personal conduct by directors and/ or employees</li> <li>• Gross negligence resulting in physical injury</li> <li>• Corrupt behaviour and or practices</li> <li>• Insolvent trading</li> </ul>		
Controls and Ownership		
<b>Controls:</b> <ul style="list-style-type: none"> <li>• Regular communication with Navy Commands on Navy bases</li> <li>• Training of staff in WHS, fraud awareness, management, leadership and Equity and Diversity</li> <li>• Executive and WHS inspections</li> <li>• Board site visits and engagement with Command</li> <li>• HACCP compliance</li> <li>• Adherence to Navy Canteens policies</li> <li>• External and Internal Audit program</li> <li>• Recruitment and police checks</li> <li>• Whistleblowing</li> </ul>		<b>Owner(s):</b> CEO, NOM  CEO, NHM, BM  CEO, NOM Chairperson, Board NOM CEO, BM RCA NHM, BM Employees

[END]