Project Control Group Meeting 31 July 2009 Agenda Item 4b - Risk Register

Division	Project Title	Household Insulation Program
Branch Home Energy Branch /Section		It to provide ceiling insulation to around 2.7 million owner-occupied and rental households which, alongside other elements of the Energy Efficient Homes Package, will result in almost all Australian homes operating at a minimum of 2 stars over 2 and 2. to support households to reduce energy use to help the transition to a low carbon future and alleviate energy cost increases arising from the 3. to support and stimulate jobs in the insulation industry through the installation of ceiling insulation in the 2.7 million homes.

Senate F&PA Committee

Tabled Document

Inquiry: Budget Estimaler 10-11

Date/Time. 25 May 2010

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MD.	The Risk	Source	Consequence	8	10.0	Risk Level	Risk Treatments	By Who	Witi	hessing	Jane :	류욕물		4.0.0000
			2000 (0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	ll bo	eni					Date	Kell Ke	Risk	The second	
	8		=	Š	200				0-0	ninati	2. 1	8		
- 1				_	Co				Org	anisati	111	· Passana	*******	*****
- 1	(What Can Happen?)	(How can this Happen?)	(What will happen if the risk occurs?)				Late of the Disco			Completed	2	5 Regn	1	1
1.1	The HIP and LEAPR programs are	Installers registering when they are not eligible	Government funds paid inappropriately	cely	ajor	Extreme	Manage the development of an appropriate Fraud Plan.		a I		g:	Mg.		1
	nappropriately accessed for financial gain			. 3	2				1	1 1	8			
- 1	(Fraud against the Commonwealth)	II	71 VA					100 mm 14					1.6.1	
- 1							Implement the fraud plan following endorsement by PCG	Director Fraud		Ongoing	3	1000	1,0.1	
		10		: 1	- 1		Post installation audit stratogy - technical site inspections	Director Fraud		16/08/2009		100000		1
- !			Adverse media	1	1		Post installation audit strategy - administrative revidues	Director Complian	10	18/08/2009		100		1
- !		Installers not installing the product stated	Poor installation - non achievement of program outcomes	i			Option to remove installers from register (suspension)		9	Completed	- 1	3.5		ì
		200	POOL BIS CONTROL - HOLL DO HOT WHITE OF P. P. S. C.						- 1	1	1			1
- 1									7	1 1				1
- 1		Installer dalming for work not conducted							9	Ongoing		1	1.2.1	
1	77	Householders and installers colluding	reputation damage to the Department	i i			APS code of conduct - refresh internal staff					1000		1
- 1		riousercouers and pratamers commonly			1		Put in place assurance mechanism re installer insurance	1		Completed			1.4.7	1
- 1	1						Post registration checking of installers as part of the audit program	I .		Ongoing		0.25		1
1		Landa de la companya del companya de la companya del companya de la companya de l			1		Hold payments from Installers acting inappropriately (interim solution)	Director Compilan	co	Completed		2.00	1.6.1	1
1	g ** g	Householders not meeting eligibility criteria	Higher cost for less overall product coverage				Hold payments from Installers acting inappropriately (final solution)	Director Complian	ce	1/09/2009		10 A 10 A	1,3.4	1
- 1	1				1 2		Effective comms on program requirements	1		Ongoing				1
1				!!		To be a	Engage State fair trading and piggyback state legislation	Director Complian	ce	Ongoing				1
ĺ	1		Householders out of packet/disadvantaged/requiring				Cityago crare me naung and paggrant					0.00		1
		create fictilious payments	reimbursement	1 1			Communications promotion to deter opportunists	Public Affairs		Ongoing				1
	W 85	Costs inflated to match rebate available Conflict of interest - using inside information to find toopholes in	Cartin and of conduct investigations	1	1		Investigate results from Victoria Rebate Program	Compliance Team	30	Completed				
		Conflict of interest - using inside information to find idopnotes in system for family or friends	Costly code of coudney tunes afternous							0				1
- 1	2	Corrective action too slow to identify inappropriate behaviour	Linable in recover funds	1	8		Match claims data with other data sources (eg: size of company)	Director Complian	ce	Ongoing		-	81	
- 1		Confective action too slow to identity supplied in the service			14.1		WOOLD STANDARD CO-	}		Completed	8	PAR.	1.8.6	1
- 1	i		- P	1 1			Implement complaint management system	Director Complian	100	31/08/2009	â li	ser lines		
- 3		Inadequate resources - not enough staff with the right level of	Fraud not identified or escalated correctly				Develop & detiver relevant induction training for compliance & audit staff	Director Compiler					28	
		knowledge and experience			!		Complaints and Whistleblowing strategies in place and monitored for trends	100		Ongoing		1000	1.6.1	1
i	10	No enforcement - not enough deterrent				15774								4
			- Avenue	2	×	Extreme	Develop links with ACCC and other regulatory bodies to achieve greater	1		Ongoing	- 8	e Migh	100	
1.4	Compliance and audit framework is not leadble enough to enable the delivery of	Compliance funding may not support a broader compliance framework		3	N N		compliance/reduced fraud				200	2		
	all program objectives	tanaman a sa s	- 10 m	1		1528	A second	1		Ongoing	. "		AT .	
			Insulation does not adequately contribute to House R rating and	1			Ensure sufficient funds for adequate audit/compliance arrangements				i I		14	
- 9	",	compliance	energy savings				Engage consultant to develop the Fraud Control Plan and the audit/compliance	1		Completed	(. F		33	1
1					1	ALTER DE	plan							1
- 1			Additional cost for a larger backend compliance regime		i		Manage and monitor ongoing performance of Auditors			Ongoing			1,6,1	
		Dellares an extra accepts frameworks solber than localisation	Installation quality and compliance poor/unsafe		i		Engage an interim provider to implement the audit plan through the conduct of	1		Completed	1		1.0.1	
		Reliance on other penalty frameworks rather than legislative enforcement	, , , , , , , , , , , , , , , , , , , ,	1			the audit/compliance program	1		1	(1		(Au)	1
						2-82-51				1	(1		(8)	1
	9					THE SAME		1		30/09/2009	1 1	10 C		
- 1				İ	İ		Engage an ongoing provider to impliament the sudit plan through the conduct of			30/09/2009	1			
		2	M				the auditempliance program	1		Ongoing	1 1		1.6.1	
- 1		Fewer front and fraud controls	Objectives are not met, loss of funds, installations and material	1			Ensure audit program is comprehensive and fully integrate Fraud and	1		J	(1			1
			not adequate	1		1	Audi/Compliance regimes	1		Completed	i 1		1.8.6	
i		(Reduced rate of job creation	1	1	2	Implement complaint management system	1		Completed				
- 1			The second secon		110	E Colonia	Place conditions on installers	-		Ongoing	9	To the same of	this env	V. 1
1.5	Installation and quality by Installers is poor	Poor communication of policy requirements	Gustomer complaints	eq	8	Extreme	DEWHA communication tools (guidelines, website, installer packs, call centre) clearly explain policy requirements. Communication through public retations is	1			98	Ĕ		
"]				Sec	1 8	100000	consistent.			1	8	O PAR		1
	-1-1	and we have one of the		ا م	No.	28.50	William Co.	1		1	1 1			
		Audit and Compliance focussed on fraud and does not cover	Unsafe or incorrectly installed product leads to fire/damage, intur-	Y .	7 3	24 TA2	a s	1		1	1 1			
	100	other eligibility and standards	or death Program does not meet objectives	1	1	100	Training competency checking in Administration audits	1		30/09/2009				
		Inadequate access to training	Increased cost for post installation reviews		1	Water Street	Liaise closely with DEEWR on management of Installer skills	1		Ongoing		1.45		
	. 112	Cost cutting by installers	Increased over the book assessment contains		i		Put in place assurance mechanism re installer insurance	1	19	Complete	3 1		1.6.1	
			ClastCatata legine - Illinoiles	1	1		All companies to be responsible for ensuring supervision of staff in their employ	1		Ongoing	4			1
	N 8 3	Product used does not meet Australian and Policy standards	r serselety results - Hughbort		1	200	(Lialson)				-			
	6		fi 14			E ST	2000 (S0000)				1 1			
					1	THE REAL PROPERTY.						200000000000000000000000000000000000000	TAXABLE PARTY	
	Ť 3			1	1			1			1 1	150000000	785	1
		~	- X											

Project Control Group Meeting 17 September 2009 Agenda Item 4b - Risk Management Register

Division	REED	Project Title	Household Insulation Program	1
Branch /Section	Home Energy Branch	The main objectives of the Program are:	 to provide ceiling insulation to owner-occupied and rental households which, alongside other elements of the Energy Efficient Homes Package, will result in almost all Australian homes operating at a minimum of 2 stars over 2 	
			to support households to reduce energy use to help the transition to a low carbon future and alleviate energy cost increases arising from the introduction of the CPRS.	
		A STATE OF THE PERSON OF THE STATE OF THE ST	to support and stimulate jobs in the insulation industry through the installation of ceiling insulation in homes.	١.
Date	16/09/2009			1

PART A.1 - Analysing Compliance and Audit Risks

sk Ref/ID	The Risk	Source	Consequence	poodiii	dneuce	hat risk before any atment	Completed Risk Treatments and Further Risk treatments required	By Who	Planned Completion Date	anend	sk after
	(4)	g 2	* * **	Like	Consec	Inhere			Date	Conse	ž
	(What Can Happen?)	(How can this Happen?)	(What will happen if the risk occurs?)		•						_
1.	1 The HIP and LEAPR programs are	Installers registering when they are not eligible	Government funds paid inappropriately	tely	ajor				-	oldis pic	
	inappropriately accessed for financial gain (Fraud against the Commonwealth)	9.	0 2	3	ž	STATE	Addressing strategic managemen lissues around compliance to improve ability to			8 2	
	, and against the Collinson Carry		₩		8	100	respond to issues erising eg lack of CMS, lack of signed off fraud plan		Mar-10	-	1005
	i	# 1		i			Activation of the CAAT (Improved data analytics)	Protiviti	30/09/2009		
			i	i			Finalise installer case management system	i	Ongoing		
	1		1 200	i			Phase 2 roof inspection program	İ	30/09/2009	1	
	i		i .	1			Establish compliance education activities	1 2			
								1		10.0	
	i		. 4 6	1 1			Manage the finalisation of an appropriate Fraud Plan.	1	30/09/2009	10.1	
	1	į.		i 1			Implement the fraud plan following endorsement by PCG	i	Ongoing		
	i		i	1			Post installation audit strategy - technical site inspections	i	16/08/2009	10.7	
	i	Installers not installing the product stated	Adverse media	i 1		Place of	Post installation audit strategy - administrative reviews	İ	Completed		
		installer claiming for work not conducted	Poor installation - non achievement of program outcomes	i i		4-174	Option to remove installers from register (suspension)	i	Completed		
	i	Householders and installers colluding	reputation damage to the Department				APS code of conduct - refresh internal staff	i	Ongoing		1
	i			1 1			Put in place assurance mechanism re installer Insurance	i	Completed		100
	56 4	i	1	1 1			Post registration checking of installers as part of the audit program	i	Ongoing		
	i	Householders not meeting eligibility criteria	Higher cost for less overall product coverage	1 1		100 M	Hold payments from installers acting inappropriately (interim solution)	i	Completed		
			i	1 1			Hold payments from Installers acting inappropriately (final solution)	i	1/09/2009		
	i	2	i	8			Effective comms on program requirements		Ongoing		
	İ	Commonwealth staff involved in registering and processing create fictitious payments	! Householders out of pocket/dlsadvantaged/requiring reimbursement				Engage State fair trading and piggyback state legislation		Ongoing		
	i	Costs inflated to match rebate available	The state of the s	1 1			Communications promotion to deter opportunists	Public Affairs	Ongoing		
		Conflict of interest - using inside information to find toopholes in system for family or friends	Costly code of conduct investigations				Investigate results from Victoria Rebate Program	Compliance Team	Completed		
8			Unable to recover funds / funds no longer able to be used for the program	li			Match claims data with other data sources (eg: size of company)		Ongoing		
		2/8		i i			Implement complaint management system	1	Completed		
	E 18	There will be increased demand on audit and alle inspections in a compressed timeframe	Hard cap on funds means if funds are fost to fraud public at a greater disadvantage			100	Engage an ongoing provider to implement the audit plan through the conduct of the audit/compliance program	1	30/09/2009		
	, and the second	Inadequate resources - not enough staff with the right level of knowledge and experience	Fraud not identified or escalated correctly				Develop & deliver relevant induction training for compliance & audit staff		Ongoing		
			35				Reduce operational toet on Compliance Committee to enable emphasis on compliance policy and to allow compliance section to handle routine operational datams issues:		30/09/2009		
			8				Gloser examination of complaints issues at source to identify priorities for faster	i	Ongoing	.	
			.6				follow up.		1 1		
				İİ			Working with geocoding people elsewhere in DEWHA to reduce time taken to check geographical viability of claims	ļ	Completed		
		No enforcement - not enough deterrent	×				Complaints and Whistleblowing strategies in place and monitored for trends	, in	Ongoing		
							MOU in place with ATO re GST		Ongoing		
1.5	Installation and quality by installers is poor	Poor communication of policy requirements	Customer complaints	ossible	Cultical	Extreme	Additional compliance audit activity	1	Ongoing	Major	E
				ď			Establish compliance education activity		¹ Ongoing		
		Audit and Compliance focussed on fraud and does not cover other eligibility and standards	Unsafe or incorrectly installed product leads to firefdamage, injury for death				DEWHA communication tools (guidelines, website, installer packs, call centre) clearly explain policy requirements. Communication through public relations is		. Ongoing		To the second
		ourer engineery and standards	or vocali				clearly explain policy requirements. Communication through public revisions is		1	- 1	
	-	Inadequate access to training	Program does not meet objectives				Mandatory training competency checking in dasklop audits		Ongoing		
P.,		Cost cutting by installers	increased cost for post installation reviews				Liaise closely with DEEWR on management of installer skills		Ongoing .		
	2	- 9 %									
		20	ľ	l i		Bell and	Put in place assurance mechanism re installer insurance		Completed		285

Project Control Group Meeting 1 October 2009 Agenda Item 7b - Risk Register

Division	REED	Project Title Household Insulation Program The main objectives of the Program are: 1. to provide ceiling insulation to owner-occupied and rental households which, alongside other elements of the	- 1
	Home Energy Branch	1. to provide ceiling insulation to owner-occupied and rental nodeshiots willow, admissing insulation and rental nodeshiots willow, admissing at a minimum of 2 stars over 2 Energy Efficient Homes Package, will result in almost all Australian homes operating at a minimum of 2 stars over 2 2. to support households to reduce energy use to help the transition to a low carbon future and alleviate energy cost increases arising from to introduction of the CPRS. 3. to support and stimulate jobs in the insulation industry through the installation of ceiling insulation in homes.	he
Date	30/09/2009		

PART A.1 - Analysing Compliance and Audit Risks

k Ref/ID	The Risk	Source	Consequence	8	ž	1	any and	Completed Risk Treatments and Further Risk treatments required		Completion	#	9
emo	Title May	50,000		1	90	10	E E		· ·	Date	lke.	500
		50 9 0 7		- ike	l se	inhere	tre tre				2	Conse
		a contract of		1	Co	Ē	-	*	les a reli			٦
	(What Can Happen?)	(How can this Happen?)	(What will happen if the risk occurs?)		L						9	ò
		Installers registering when they are not eligible	Government funds paid inappropriately	1 2	6	è Extr	reme	a series of improve ability to			18	2
	1 The HIP and LEAPR programs are inappropriately accessed for financial gain	installers registering when they are not ongress		1 3	5	ž		Addressing strategis management assues around compliance to improve ability to respond to issues arising egitack of CMS, lack of signed off fraud plan.		Mar-10	8	. 1
	(Fraud against the Commonwealth)							respond to issues ansing equation of the control of	Protiviu	30/09/2009		
					1			Activation of the CAA' (improved data analytics)		Ongoing		- 1
						836		tinstaller case management system operational		Ongoing		- 1
		Œ as	11 "	i i	1			Phase 2 roof inspection program in place		Ongoing		- 1
			E	i		3		Enhance compliance education activity including proactive communication to	6			- 1
				1				educate installers on compliance requirements		30/11/2009		
			A 2 80 A 2 12		1			Manage the finalisation of an appropriate Fraud Pfen.	2	Ongoing		- 3
				1		365		Implement the fraud plan following endorsement by PCG		16/08/2009	1	
			10	i	1	- 60		Post Installation audit strategy - technical site Inspections	65 25	Completed		
12			<u> </u>	i		200		Post installation audit strategy - administrative reviews		No. 166 DESCRIPTION		1
			Adverse media		1			Option to remove Installers from register (suspension)		Completed	.	
	1	Installer claiming for work not conducted	Poor installation - non achievement of program outcomes		1			APS code of conduct - refresh internal staff	- 52	Ongoing	!!	1 8
	1	Householders and installers colluding	repulation damage to the Department					Put in place assurance mechanism re installer insurance		Completed		
		2 ×	640	1				Post registration checking of installers as part of the audit program	1	Ongoing		
	i		1	1		3		Hold payments from Installers acting inappropriately (Interim solution)	11	Completed	1 1	
		Householders not meeting eligibility criteria	Higher cost for less overall product coverage	1		100		Hold payments from Installers acting inappropriately (final solution)	i	30/09/2009	1	
			E C						i	Ongoing	i 1	
			9			1000		Effective comms on program requirements		Ongoing	!!!	
		Commonwealth staff involved in registering and processing	I Householders out of pocket/disadvantaged/requiring	İ	:	1		Engage State fair trading and piggybeck state legislation]	
	1	create fictitious payments	reimbursement	1				a la des supposition la deler papadamiete	Public Affairs	Ongoing	i	
	1	Costs inflated to malch rebate available		1		1		Communications promotion to deter apportunists	Compliance Team	Complete	4	
	1	Conflict of Interest - using inside information to find loopholes in	Costly cade of conduct investigations	1		(0.00		Investigate results from Victoria Rebate Program		0.000		
	M	system for family or friends			1			Match claims data with other data sources (eg: size of company)	i ×	Ongoin	4	
	i i	Corrective action too slow to identify inappropriate behaviour	Unable to recover funds / funds no longer able to be used for the			. 1		March manne dara with onich dara soon see fedt area at annihamit.		1	!	
			program	1		10		Implement complaint management system	E C	Complete		
	1		La como como como como como como como com		1	100		Engage an engoing provider to implement the audit plan through the conduct of the	4	Complete	4	
		There will be increased demand on audit and site inspections in	Hard cap on funds means if funds are lost to fraud public at a			100		audi/compliance program	1	1	1	
	1	a compressed timeframe	greater disadvantage	1	-	- 100		PWC audit program rolled out and monitored		1		
	i i			1	1			Develop & deliver relevant induction training for compliance & audit staff		30/10/200	9	
	i		Fraud not identified or escalated correctly	1		100				7	1	1
	M.	knowledge and experience		1				Reduce operational load on Compliance Committee to enable emphasis on		Complete	9	l
		f = 1 = 1 = 1	No.	1				compliance policy and to allow compliance section to handle routine operational				1
		10	2.	1		100		dalms issues	! .	. Ongoin		1
			121	i	i			Closer examination of complaints issues at source to identify priorities for faster		- Ungon	9	1
	9			. [-			follow up		Complete	d	1
	1			1	1			Working with geocoding people elsewhere in DEWHA to reduce time taken to				1
	li n				1	50		check geographical viability of claims	1	Ongoin	d	1
	100	No enforcement - not enough deterrent	20	1		1		Complaints and Whistleblowing strategies in place and monitored for trends	1	1		1
								MOU in place with ATO re GST	A CONTRACTOR MARCH	Ongoin	g	L
	i o			-	-	7	tenna	MOO in place wat ATO to Go?			97	, cie
	.5 installation and quality by installers is poor	Poor communication of policy requirements	Customer complaints		SiDi	dica.	treme		1		1880	2
					8	3		Additional compliance audit activity	Ţ	Ongoir	ST 100 100 100 100 100 100 100 100 100 10	1
					-1			Enhance compliance education activity including proactive communication to	1	Ongoir	9	
		7	Ø					educate installers on compliance requirements	1	Ongoit		1
	II.		Unsafe or incorrectly installed product leads to fire/damage, inju	ITV	1	E		DEWHA communication tools (quidelines, website, installer packs, call centre)		Ungoa	7	
		Audi and Compliance focussed on fraud and does not cover other eligibility and standards	or death			1		clearly explain policy requirements. Communication through public relations is			1	1
	1	outer enginesy and suntostus				100		consistent and includes into about the quality of materials.	1		1	
			E					the data and the companion of the bigs in decides quelle	1	Ongoing	i	1
		Inadequate access to training	Program does not meet objectives	1	1			Mandatory training competency checking in desktop audits	1 2 8	Ongoi	nat	
	Į.	Cost cutting by installers	Increased cost for post installation reviews	1	1			Liaise closely with DEEWR on management of Installer skills		Complete	27. 5 .	1
	!	Cost coming by Instance	COLUMN CONTRACTOR DE COLUMN CO	İ	İ			Put in place assurance mechanism re installer insurance		Ongoi	0.00	1
	!	In the standards	1 Fire/Safety Issues - Illigation	i	i			All companies to be responsible for ensuring supervision of staff in their employ		Ungui		1.
		Product used does not meet Australian and Policy standards	in a county issues - mysman	1	1			(Liaison)	 Compliance Committee	01/10/20	9	1
			1	1	1			Process developed on how to handle fires linked to poor installation work	Compliance Communes	31110/20		1
						100		response on annual line of the and in the control of the control o				