



AEC

Australian Electoral Commission

PROCUREMENT AND CONTRACT RISK ASSESSMENT

for workplace relations legislative
compliance services

SRC005236

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Procurement and Contract Risk Assessment

1. Key details

Description	Details
Title	Workplace relations legislative compliance services
Procurement Reference Number	SRC005236
Value	Under \$80,000
Commencement date	Week commencing 4 February 2025
End date	No later than 27 June 2025
Option periods	Nil
AEC Financial Delegate	Rachael Spalding
Contract Manager (AEC)	s22 [REDACTED] [REDACTED] [REDACTED]

2. Risk Assessment

Identified risk	Who	Current controls	Current risk rating	Risk Treatment	Residual Risk Rating	Risk Owner/s & Risk Actionee /s
Identify the Risk Event and its identified causes and effects	Identify who may be affected by the identified risk	Identify the measures currently in place to reduce the likelihood and/or the consequence of the identified risk.	Rating of the identified risk taking into account controls already in place	Additional measures to reduce risk to tolerable level? Mandatory for risks with a residual rating of High/Extreme.	Rating of the identified risk after treatments (if any)	Identify who is accountable for managing risk (Owner), and who is responsible for implementing treatment (Actionee).
RISK EVENT: There is a risk that the supplier will not deliver within the timeframes. Causes: Only approaching one supplier via limited tender. Consequences: There may be limited/no opportunity to implement recommendations.	Contract manager	Ensuring the supplier is aware of the AEC operating environment and CEA legislative requirements. The contract manager will work closely with the supplier to ensure recommendations are pragmatic.	Likelihood: Unlikely Consequence: Minor Rating: LOW	Initiating daily stand-up meetings with the supplier to provide any required material and/or remove any blockers. Keep the financial delegate informed of supplier progress at weekly catch ups, and initiating remediation measures promptly if required.	Likelihood: Unlikely Consequence: Negligible Rating: LOW	s22 (owner) s22 (actionee)
RISK EVENT: There is a risk that the conflict-of-interest policy is not adhered to. Causes: The supplier has a previous working relationship with an AEC officer. Consequences: Improper decisions could be made.	Evaluation team	The evaluation team are selected on the basis that they are the subject matter experts and there are no conflicts of interest (perceived or actual).	Likelihood: Rare Consequence: Minor Rating: LOW	Financial delegation will be FAC level.	Likelihood: Rare Consequence: Negligible Rating: LOW	s22 (owner) s22 (actionee)
RISK EVENT: There is a risk that this is procurement doesn't go ahead promptly. Causes: Lengthy procurement processes and requirements, delays to approvals and lack of funding. Consequences: The AEC's risk threshold of LOW for compliance, governance and integrity may be infringed.	AEC ELT	Brief the financial delegate and engage with Strategic Sourcing to seek advice on the best way to progress the procurement promptly. Utilisation of Exemption 17, in Appendix A of the Commonwealth Procurement Rules (CPRs) which allows entities to directly engage a small and medium enterprise (SME) for procurements valued up to \$500,000 (including GST), providing value for money can be demonstrated. Reallocate existing budget in the People Branch cost centre to make funding available for this critical work.	Likelihood: Unlikely Consequence: Moderate Rating: MEDIUM	Seeking support from Strategic Sourcing to assist in prioritising the procurement. A short approach to market of six business days to commence evaluation promptly after return from the shutdown period.	Likelihood: Unlikely Consequence: Minor Rating: LOW	s22 (owner) s22 (actionee)
RISK EVENT: There is a risk that this procurement identifies non-compliance with legislative obligations and there is no available budget or resources to implement changes. Causes: Recent workplace relations legislative reform and where we are in the electoral event cycle. Consequences: The AEC is not compliant with workplace relations legislation.	AEC ELT CPO AEC SES	Requesting the supplier conduct first a preliminary assessment to advise on any significant risks identified. Ensuring the delegate is briefed at the earliest possible opportunity if any significant issues are identified.	Likelihood: Possible Consequence: Moderate Rating: MEDIUM	Requesting more resources and budget if significant risks are identified and prioritise their implementation before the electoral event.	Likelihood: Minor Consequence: Unlikely Rating: LOW	s22 (owner) s22 (actionee)
Overall current risk rating	MEDIUM			Nil. Risk is at a tolerable level.	LOW	s22 (owner) s22 (actionee)

3. Risk Matrix

1. Assess risk ratings based on first selecting the relevant Consequence Criteria and level of severity, followed by the Likelihood Rating.
2. Use the *Risk Acceptance and Escalation Table* to evaluate the risk and determine which path to take to manage the risk (e.g. accept, monitor, treat).

LIKELIHOOD	CONSEQUENCE				
	Negligible	Minor	Moderate	Major	Severe
Almost Certain	Medium	Medium	High	Extreme	Extreme
Likely	Medium	Medium	Medium	High	Extreme
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

NOTE: the assessment of a risk occurring (likelihood) or the impact of an event (consequence) can be subject to personal bias. For this reason every step in the assessment requires communication and consultation. Risk Management best practice is that assessments are collaborative exercises best undertaken in a stakeholder risk workshop.

RISK TOLERANCE	
CATEGORY	UPPER RISK THRESHOLD
Service, Delivery and Performance	Medium
Capability and Resources	Medium
Security	Medium
Compliance, Governance and Integrity	Low
Safety	Low

LIKELIHOOD RATING		
DESCRIPTOR	QUALITATIVE	PROBABILITY
Almost Certain	It is almost certain that the event or described result will occur.	91% and above
Likely	A strong possibility that the event or described result will occur.	61-90%
Possible	The event or described result could occur.	31-60%
Unlikely	It is unlikely that the event or described result will occur.	5-30%
Rare	The event may occur but only in rare and exceptional circumstances.	Less than 5%

4. Consequence criteria

Instructions for using consequence criteria: Select the highest credible consequence.
If your risk event occurred, which of the following criteria would apply?

Consequences							
SCALE	SERVICE DELIVERY	FINANCIAL	PRIVACY	COMPLIANCE	REPUTATION AND IMAGE	FRAUD	WORK HEALTH AND SAFETY (WHS)
Negligible	Outcomes and objectives are substantially met. Minor delays in performance have no or little impact on delivery of business processes. No measurable operational impact to ICT services.	Total dollar loss and/or potential overspend is less than or equal to \$50,000	Information is already in the public domain. No loss of public confidence	Minor technical breach of an internal policy or guideline.	Incidental media coverage. Little, if any, impact on stakeholder confidence.	Not Applicable	Injury to workers or other parties may require the attention of first aid officer. Comcare not notified.
Minor	Outcomes and objectives are substantially met with partial delay or variation. Some interruptions in performance having a minor and temporary impact on business delivery of processes. Minor downtime or outage in single area of agency. Minimal loss of data.	Total dollar loss and/or potential overspend is greater than \$50,000 and less than or equal to \$1 million.	Small number of individuals affected and limited (non-sensitive) information involved (e.g. name, contact details, email). Limited risk of harm to small number of individuals including financial/reputational risk.	Failure to comply with internal policy and legislation. Accountable Authority Instructions (AAI), resulting in a minor breach of Commonwealth Acts, including the Commonwealth Electoral Act (CEA).	Isolated media coverage, limited to local media. Isolated or minimal impact to stakeholder confidence. Can be resolved within a short timeframe.	Isolated incident, may result in minor disciplinary action	One-off or near miss Work Health and Safety incident occurs. Only minor injury, if any, to workers or other parties. May require the action of a medical doctor. Comcare not notified.
Moderate	Delivery of key outcomes and objectives substantially delayed or varied. Some interruptions to time critical service delivery. Extended period of downtime or outage in multiple services.	Total dollar loss and/or potential overspend is greater than \$1 million and less than or equal to \$5 million.	Large number of individuals affected, with limited release of additional information to what is already in the public domain.	A breach of Commonwealth Acts or Regulations or failure to comply with PGPA Act, CEA and the Public Service Act.	Strong media interest. Moderate or broader damage to stakeholder confidence with short to medium outcomes and ramifications. Requires Executive attention.	Fraudulent activities resulting in disciplinary actions.	Multiple Work Health and Safety near miss incidents. Potentially a notifiable incident to Comcare under WHS Act. Medical treatment required for workers or other parties; and/or a dangerous incident as defined under the WHS Act (section 37).

Consequences							
SCALE	SERVICE DELIVERY	FINANCIAL	PRIVACY	COMPLIANCE	REPUTATION AND IMAGE	FRAUD	WORK HEALTH AND SAFETY (WHS)
Major	Unable to deliver outcomes without significant additional expense and/or variation. Breakdown in time-critical services.	Total dollar loss and/or potential overspend is greater than \$5 million and less than or equal to \$20 million	Risk of harm to large number of individuals including financial/ reputational damage, or any release of sensitive information (e.g. silent electors, criminal records, health information, sexual orientation, TFNs). Public exposure of incident and limited loss of public confidence.	Multiple breaches of Commonwealth Acts or Regulations with possible penalties under the CEA and Public Services Act.	Intense media attention with potential national coverage over current and future outcomes. Widespread impact to stakeholders. Longer term impact to stakeholder perceptions. Public perception severely damaged - considerable resources required to recover.	Clear, willful fraudulent activities resulting in disciplinary actions with referral to the AFP.	Life threatening or a serious injury causing hospitalisation. A notifiable incident to Comcare under section 36 of the WHS Act. Major injuries of workers or other parties.
Severe	Unable to deliver outcomes in the foreseeable future. Unable to undertake time-critical and other services for a prolonged period. Extensive and/or total loss of service delivery.	Total dollar loss and/or potential overspend is greater than \$20 million.	Serious risk of harm to large number of individuals including financial or reputational risk and loss of sensitive information. Significant public exposure of issues and loss of public confidence.	Significant and or protracted breach of law resulting in criminal charges.	Extreme or hostile media attention over long term. Reputation and relationship with key stakeholders irrevocably damaged resulting in a material change in AEC's public perception. AEC is unable to obtain ongoing support.	Identified fraudulent activities resulting in disciplinary actions and reputational risk to AEC with referral to the AFP and termination of employment.	Preventable Death and/or major injuries on a significant scale. A notifiable incident to Comcare under WHS Act.