##### **RISK MANAGEMENT POLICY** Version – March 2022

**DEFINITIONS**

**Term**  **Definition**

**Risk** the combination of the probability of an event and its consequences. In simple terms risk can be seen as a combination of the chance that something may happen and the degree of damage or loss that may result if it does occur.

**SCOPE**

This policy applies to all employees, volunteers, and Directors of [BLANK]

**OBJECTIVE**

The objective of risk management at [BLANK], and the preparation of the Enterprise Risk Framework, is to reduce the potential likelihood and impact of risks that could have an unexpected impact on the operation of the organisation, the service we will provide members, participants and commercial partners and the financial returns we expect to generate.

**1. Risk Management Principles**

The Company’s Risk Management Policy is governed by the following risk management principles:

* Risk is a necessary part of doing business.
* Everyone at [BLANK] is responsible for the effective management of risk.
* Risk management contributes to the achievement of organisation objectives.
* Risk management creates and protects value, and is an essential element of the overall governance of [BLANK].
* Risk management will be applied in a consistent and systematic basis in all teams.
* Risk management is adequately resourced.
* [BLANK] will ensure that all employees have necessary training, skills and assistance to undertake effective risk management.
* Risk management uses the best available information to regularly monitor and report on the status of risks faced.
* Risk management is dynamic, iterative, and responsive to change.

**2. Risk Management Guidelines**

This policy requires that [BLANK] teams apply risk management across all business activities to support the achievement of [BLANK] strategic and operating objectives.

[BLANK] requires all employees and volunteers to escalate identified risks to the appropriate levels in the organisation, e.g. in the occurrence of child safety or fraud, details must be escalated to the CEO or Board immediately.

[BLANK] aims to maintain a consistent organisation-wide approach to the management of risks by:

* maintaining a Risk Management Framework that provides a transparent approach to managing risk across [BLANK];
* understanding the environment that the organisation is operating in;
* supporting clear communication and consultation across the business;
* using a structured, systematic, and explicit risk assessment process. The process requires four core components:
  + a comprehensive risk identification and assessment process that identifies material financial and non-financial business risks and develops an understanding of the risks,
  + a risk register which records all risks identified across businesses, operations, functions and projects, with a selection of strategic risks approved by the Board,
  + planned management actions to mitigate or eliminate the risk through the establishment of mitigation plans that are approved by the Board, and
  + a Risk Appetite assessment approved by the Board to ensure that the actual level of risk within the business is in line with the Board's expectations; and
* performing regular reviews of the Framework, with Management assisted by the Risk and Audit Committee.

**3. Risk Management Controls**

[BLANK] is committed to the identification, monitoring and management of material risks associated with its business activities and has embedded in its management and reporting systems a number of overarching risk management controls.

Risk controls include, but are not limited to:

* delegation of authority that provides guidelines and limits for approval of operational expenditure, capital expenditure and a range of business decision items;
* commercially prudent insurance cover;
* annual external audit;
* annual budgeting and monthly reporting and forecasting systems for all business, which enable the monitoring of progress against performance targets and the evaluation of trends;
* the use of regular staff performance reviews that prioritise a connection to organisation values, beliefs and behaviours;
* development opportunities for staff that facilitate effective risk awareness e.g. exposure to risk assessments or mentor relationships;
* appropriate systems of internal controls relating to operational transactions; and
* appropriate due diligence procedures for contracts and commitments.

The overarching risk management control for the organisation is ensuring that the Board is the owner of risk.

This is facilitated through the following processes:

* reporting to the Board on the effectiveness and operation of controls including a risk register and related worksheets covering items approved by the Board as relating to the achievement of our strategic goals;
* management regularly presenting to the Board on the risks relating to their function and how they manage them, this includes updates on the status of priority items or material increases in an items risk rating;
* conducting a Board risk assessment workshop to work through the risk register and risk appetite to ensure the board agrees we have the suitable strategic risk and approve the risk appetite.