

SUBJECT:	Risk Management
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Portfolio Area:	Risk Management	Document Ref:	PS RM01
Applicable From:	November 2020	Version No.:	01

REVISION SCHEDULE:

EFFECTIVE DATE:	ALTERATION(S):	AUTHORISED:	
		Signed/Title	Date:
11/11/2020	Updated due to impending QA Audit	Board	

1. SCOPE:

The purpose of this Policy Statement and related Operating Procedures relates to the Community Centre’s risk management framework and internal controls. This policy is to assist the Board of Management (the Board) in fulfilling its responsibilities in overseeing the Centre’s financial reporting, compliance and legal and regulatory requirements as well as overseeing the Centre’s systems of internal control and its risk management framework.

2. POLICY STATEMENT:

Risk Management is a systematic approach that creates focus on the things that we need to get right to achieve our strategic objectives. Our philosophy is that risk and opportunity management are the same and every opportunity contains a level of risk. However, by effectively managing risk, we can maximise opportunities to achieve our objectives. It is imperative we continue to build the risk management capacity and capability of the Centre to continue to have our community’s and Council’s confidence. It is how we manage that risk which will then lead to great outcomes and achievements.

The Centre’s risk management methodology incorporates a holistic and structured approach to the identification and mitigation of business risks. This standardised risk approach covers strategic, operational, reputational, compliance, financial and ITC risks. The accountability for managing such key risks, rest with the Board of Management through the effective delegation of authority and the necessary subcommittee.



3. OBJECTIVES:

The objectives of this Policy Statement and associated procedures are to ensure that it:

- Meets its strategic and operational objectives while minimising the impact of significant risks that the Centre can meaningfully and realistically control
- Protect and enhance its reputation
- Behaves as a responsible and ethical corporate citizen, protecting all staff, the Board and the broader community from harm, and protecting physical property from loss or damage
- Establishes the right balance between the cost of control and the risks it is willing to accept as part of the community development environment within which it operates
- Recognises and makes the most of opportunities and increase organisational efficiency and resilience in relation to risk management
- Oversees the effectiveness of the systems of internal controls and audits and external auditing
- Oversees the policies and procedures to identify and address any potential risks and to ensure compliance with the Australian Service Excellence Standards.

4. GUIDING PRINCIPLES:

The development of Operating Procedures under this Policy Statement is based on the following guiding principles:

- Risk and opportunity go hand in hand. Many projects or activities undertaken by the Centre intend to offer or achieve something extraordinary. Community development cannot always be achieved without sometimes taking risks
- An element of risk is not bad. Sometimes risk is essential to progress and learning from mistakes is a valuable part of learning. The Centre will strive to balance the possible negative consequences of risk against the potential benefits of any decision, action or proposal.

The *Australian Standard for Risk Management - Principles and guidelines (AS/NZ ISO 31000:2009)* is based on eleven best practice principles. These principles underpin this Policy and guide how we manage risk across the Centre.

- **Creating and protecting value** – contributes to the achievement of our objectives and improves performance in for example work health and safety, legal and regulatory compliance, environmental protection, project management, efficiency in operations and or governance and reputation
- **An integral part of all organisational processes** – an integrated part of our governance, compliance, accountability, planning and reporting processes. Risk management is part of the Boards responsibilities and an integral part of processes such as strategic planning



- **Part of decision-making** – risk awareness aids decision-makers to make informed choices and identify the most appropriate course of action
- **Explicitly addresses uncertainty** – identifies uncertainty and how it can be addressed
- **Systematic, structured and timely** – contributes to efficiency and to consistent and reliable results
- **Based on the best available information** - draws on data, experience, expert judgment and stakeholder feedback to make evidence-based decisions
- **Tailored** – aligns with the internal and external environment within which we operate and our risk appetite
- **Human and cultural factors** – recognises that the capabilities, perceptions and aims of people (internal and external) can aid or hinder the achievement of our objectives.
- **Transparent and inclusive** – requires appropriate and timely involvement of stakeholders and decision makers to ensure that risk management stays relevant and up to date
- **Dynamic, iterative and responsive to change** – responds to both internal and external events, results of monitoring and reviewing activities, new risks that emerge and others that change or disappear
- **Continual improvement of the organisation** – supports the continuous improvement of our operations.

The success of risk management is dependent on the effectiveness of the Centre to provide the appropriate arrangements that will drive risk awareness throughout the organisation.

5. RESPONSIBILITIES:

All members of the Board of Management share the responsibility of reviewing the Risk Management Plan annually.

6. CONSEQUENTIAL DOCUMENTS:

As a consequence of this policy statement and to guide its implementation consequential documents i.e. Operating Procedures, Forms and Work Instructions will be developed and should be read in conjunction with this document.

APPROVED BY THE BOARD			
This Policy Statement supersedes all other Policy Statements in relation to Board and Governance and is applicable from the authorising date below.			
Authorising Officer	Position	Date	Signature
Heather Anderson	Chair Person	1-12-20	

