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## 2.7 Risk Management and Compliance Policy

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| **Related documents**  *Australian Standard, AS/NZS ISO 31000:2009 Risk management*  *ACNC Governance Standards* |

The Board of ABCD is committed to, and places a high priority on, managing its risks strategically and systematically. A planned approach to risk management has the capacity to improve decision making, performance and accountability.

Risk management processes will be designed in order to prevent injury or harm, to protect the assets and interests of ABCD and to limit the impact of any unavoidable risk. Risk identification, assessment and treatment will address both strategic and operational risks.

### Definitions

* Risk is the chance that an event will occur that will impact on ABCD. Risk is measured in terms of the likelihood of it occurring and its potential impact on ABCD.
* Risk assessment is the process used to determine risk management priorities through an organisational audit.
* Risk management is the systematic application of policies, procedures and practices to the tasks of identification, assessment, decision making and the ongoing evaluation of risks.

### Responsibilities

The Board has ultimate responsibility for ensuring that adequate risk management processes are in place and that resources are made available within the budget to implement risk management processes.

The Board delegates the day-to-day implementation, monitoring and reporting of risk management to the Manager. The Manager is responsible for ensuring that all staff and volunteers are aware of risk management procedures.

Staff and volunteers are responsible for maintaining an awareness of potential risks in their areas of work, ensuring that procedures are followed and notifying the Manager of any potential or actual risk.

### Risk assessment and risk management plan

Risk management will be undertaken at different levels within ABCD and will include:

* Risk identification
* Risk assessment
* Risk treatment
* Monitoring and review

The risk management plan must be maintained up to date and reviewed on an ongoing basis to reflect any changes that may occur. A Risk Management Committee may be formed to assist the Manager with developing and reviewing risk management plans.

At a minimum, the risk management plan will list:

* identified risks
* risk ratings according to the ABCD risk criteria tables
* actions to control or minimise priority risks
* position/s responsible for risk treatment actions
* improvements implemented as a result of risk management reviews and planning.

ABCD risk criteria tables will be used to assess the consequences/impact, likelihood of identified risks and level of responsibility for the management of risks.

### Monitor and review

Performance of the risk management system and outstanding risk treatment actions will be reported to the Board by the Manager on a regular basis.

The Board will formally review the risk management policy and risk management plan at least annually.

### Compliance management

Risk management will include monitoring of all legal and contractual obligations. These obligations will be listed in the *ABCD Compliance Register.*

The Manager is responsible for ensuring the *Compliance Register* is current and that required actions are undertaken.

The Manager will report to the Board of Management on compliance measures and report any irregularities.