



THE ORDER OF AUSTRALIA ASSOCIATION

G5 RISK MANAGEMENT POLICY

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Table of Revisions

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1	January 2021	Initial Policy	February 2024

1 INTRODUCTION

1.1 Overview

The ISO AS/NZS 31000:2009 Standard states in part that 'Organisations of any kind face internal and external factors and influences that make it uncertain whether, when and the extent to which they will achieve or exceed their objectives. The effect this uncertainty has on the organisation's objectives is "risk". All activities of an organisation involve risk.

Organisations manage risk by anticipating, understanding and deciding whether to modify it. Throughout this process they communicate and consult with stakeholders and monitor and review the risk and the controls that are modifying the risk'.

The Order of Australia Association Ltd (the Association) is committed to having a planned approach to managing risks in accordance with Risk Management -Principles and Guidelines ISO AS/NZS 31000:2009.

1.2 Purpose

The purpose of this Policy is to establish and maintain a framework to provide for systematic and responsible management of risks that are, or could be, incurred by Association in carrying out its various activities or in pursuit of its objectives.

To define 'risk' and the associated issues.

To identify the responsibilities of the Board and staff relation to the management of risk.

To establish and maintain a Risk Register and identify the processes in relation to risk management.

1.3 Applicability

The policy and procedures outlined in this document apply to all Directors and staff of the OAA.

1.4 Policy Basis

The basis for this Policy is:

- the Constitution of the Association which at paragraph 49 provides *inter alia* that Directors must comply with their duties as Directors under legislation and common law (judge-made-law), the Associations Board Charter and with duties described in Governance Standard Five of the regulations made under the ACNC Act; and
- the requirements ISO AS/NZS 31000:2009.

2 POLICY STATEMENT

The Association recognises the need for risk management as a consideration in strategic and operational planning, day to day management and decision making across all levels. In response to this the Association will ensure that an appropriate framework for identifying, assessing, managing, monitoring and reporting on risks is applied across the Association.

3 RESPONSIBILITIES

The Board is responsible for ensuring the management of risk is consistent with the Governance and Operational structures of the Association.

Ultimately it is the responsibility of the Board to manage risk on behalf of the Association. However, many of the activities in relation to risk management are, for reasons of expediency and expertise, are delegated to the Executive Committee. Primarily, the role of the Board is to review and approve the process of risk management, to delegate authority to act in relation to it, to review the progress of risk management periodically, and to decide upon certain risk elements where such have a significant or substantial potential risk to the as a whole or its objectives

4 PROCEDURES

The Association is committed to best-practice governance and management and as such is committed to:

- implementing a risk management understanding at all levels;
- training and supporting the knowledge development of the Board, Executive and staff in the area of risk management, particularly the key decision-makers; and
- monitoring and reviewing the progress of risk management.

Risk is defined as the exposure to occurrences or consequences that will have an impact, either positive or negative, on the Association and its objectives. Risk may be gauged by the following two factors:

- the frequency/likelihood of something happening; and
- the severity/impact of the consequences arising from the event.

Risk Management is, therefore, the process of understanding, analysing, assessing, treating, monitoring, and communicating the risks that may impact upon the work of OAA in order that it may make the most effective and efficient decisions and practices in the furtherance of its objectives.

The Association's Risk Register sets out the identified risks within the following categories:

- Governance;
- Membership;
- Financial;
- Information Technology;
- Planning; and
- Reputational.

5 PROCESSES FOR REVIEW AND MANAGEMENT OF RISK

The Risk Register documents the responsible risk owner for each identified risk. The Audit & Risk Committee will review the Risk Register on a regular basis. The Board will review the Risk Register at their July and December meetings.

6 RELATED DOCUMENTS

This Policy is to be read in conjunction with:

- The Constitution of the Order of Australia Association Ltd
- Risk Management-Principles and Guidelines ISO AS/NZS 31000:2009.