

## Risk Management Policy

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Drafted by	Rebecca O'Sullivan	Approved by Board on	March 2023
Responsible person	Megan Hall, Executive Officer (EO)	Scheduled review date (2yrs)	March 2025

**Purpose:** This policy is to ensure that AAFIE Foundation (AAFIE) manages risk across its operations inline with expectations from the ACNC as a registered charity. AAFIE will use this risk management framework to support the effective management of its material risks in a manner consistent with its risk appetite and strategic plan.

**Definitions:** For the purpose of this policy, 'risk' is defined as the probability that an occasion will arise that presents a hazard or danger to our organisation, our staff, our clients, or the general public. It includes, but is not limited to,

- physical hazards
- legal hazards
- financial hazards
- reputational hazards.

Risk Management is the coordination of activities to direct and control AAFIE's activities with regard to risk.

**Policy Statement:** The purpose of this document is to enable risk management procedures to be satisfactorily identified, organised and maintained.

AAFIE Foundation (AAFIE) is committed to establishing an organisational philosophy and culture that ensures effective risk management is an embedded part of all AAFIE activities and a core organisational capability. Appropriate risk management allows AAFIE to take advantage of opportunities to improve its outcomes and outputs by ensuring that any risk taken is based on informed decision-making and on realistic analysis of possible outcomes.

**Scope/Applicable to:** Board, employees and volunteers of AAFIE.

**Framework:** The function of the Risk Management Framework is to assist the facilitation of strategic focus areas outlined in AAFIE's business and strategic plans. Operating within this framework will facilitate enhanced capability and professionalism through the identification and management of risk and contributes towards the long-term sustainability of AAFIE.

The Framework provides guidelines on the risk management process, the roles and responsibilities of key stakeholders, level of documentation, reporting requirements and supporting tools and templates.

AAFIE's approach to risk management, incorporates the following strategic and operational considerations:

Risk Category	Description
Reputational Risk	The risk that a particular event affects AAFIEs reputation and to what extent stakeholders and the community are influenced by this
Business and Performance Capability	The impact that an event or risk has on the continued capability of the AAFIE business, its performance and people
Finance/Value for Business	The risk that a particular event may impact on revenue and direct costs to the business
Asset/Investment Sustainability	The risk that a particular event may impact on the value of investments and sustainability of assets
Board and Strategy	The risk that a particular event may AAFIE's ability to meet strategic objectives or impact on the effectiveness of the board

**Process:**

AAFIE will document and put procedures in place that will, as far as possible, ensure that risks are minimised and their consequences averted. This will be in the form of a risk management plan or checklist that is regularly reviewed and can be broken down into the following parts:

- Establishing the Context
- Identifying Risks
- Analysing Risks
- Evaluating Risks and
- Treating Risks

See ICDA site [here](#) for more information.

**Roles & Responsibilities:** The Board is responsible for strategic risks and the EO is responsible for operational risks though they will work together to identify and manage all risks.

The Members of the Board will be responsible for:

- Supporting the ongoing implementation of risk management in all areas of the AAFIE operations;
- The identification, analysis, treatment, monitoring and evaluation, and reporting of significant risks
- Ensuring that staff understand their responsibilities with respect to risk management; and
- Fostering a positive risk-aware culture within their area of responsibility

The Board will ensure that staff understand their responsibilities and assist in fostering a risk-aware culture. Regular training and assistance will be provided to relevant staff to assist with risk management.

**Related Documents:** Governance Manual, Delegations Policy, Membership Policy