

COMPLIANCE POLICY

Policy:	Compliance Policy	
Date:	Board Approved:	2 September 2022
	Next Review Date:	2 September 2024

1. Purpose

This policy outlines how the Australian Institute of Company Directors (**AICD**) manages its compliance obligations.

The AICD is committed to creating a strong compliance culture. Compliance is fundamental to the achievement of the AICD's strategic goals, its financial sustainability and reputation as a leading governance institution.

The purpose of this policy is to provide a framework for AICD to manage its legal and compliance obligations.

2. Scope

This Policy applies to all Board members and Employees and Volunteers of the AICD.

3. Policy

3.1 AICD principles

The AICD as a not-for-profit organisation, is committed to ensuring that it complies with all legislation, accountability frameworks, regulations, codes of practice and standards that are applicable to the operations and governance of AICD and its activities.

The AICD will maintain the highest standards of diligence in all areas of public accountability, through its policies and procedures, in meeting its legal obligations and maintaining compliance with them. The AICD does not tolerate deliberate breaches of laws and regulations.

3.2 Compliance Framework

This compliance framework comprises of AICD's commitment to the implementation, improvement and monitoring of compliance:

3.2.1 Commitment

This Policy is approved by the Board and is aligned to AICD's strategic objectives. As part of AICD's commitment to compliance, we shall:

- (a) Demonstrate top-down commitment from the Board and Executive to promote effective compliance practices across AICD;
- (b) Scrutinise and oversee the outcomes of the compliance processes through the Audit & Risk Committee (ARC);
- (c) Maintain an environment which enables AICD to meet its compliance obligations under applicable laws, regulations, standards, codes, and policies;

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- (d) Promote a consistent, rigorous, and comprehensive approach to the identification and management of compliance obligations;
- (e) Develop and maintain practices that facilitate the management and monitoring of compliance risks within the AICD; and
- (f) Ensure that standards of good corporate governance, ethics, and upholding community expectations are met within the organisation.

3.2.2 Implementation

The responsibility of implementation of the compliance framework for AICD is shared by the Board, the Executive Committee, Employees and Volunteers and their roles and responsibilities are set out in section 4 of this Policy. This shared responsibility for implementing the compliance framework shall include:

- (a) **Training:**
 - Training delivered bi-annually as part of the RMF, as well as more general training on risk and compliance that is undertaken on a regular basis.
 - Additional training delivered by the Risk & Compliance team as required, to ensure employees understand their risk and compliance obligations.
 - Training delivered by the Legal team, as required to ensure employees understand their legal obligations.
- (b) **Culture:**
 - Promoting a culture of compliance where every person within the AICD accepts personal responsibility for supporting the management of AICD's compliance obligations, and acts ethically and with integrity.
- (c) **Controls:**
 - Controls established through policies, procedures, and practices to identify and manage AICD's compliance obligations.
 - Compliance Plans adopted by AICD that outline key compliance obligations.

3.2.3 Improvement

AICD's compliance obligations shall be reviewed regularly and improvements will be made as part of such review.

Where non-compliance is identified, appropriate steps will be taken by the relevant team(s) within AICD, in consultation with the Risk & Compliance Team, to address the breach, implement actions to strengthen the control environment and manage any consequences.

The policy shall be reviewed and updated by the Head of Risk & Compliance and the General Counsel every two years, or more frequently if deemed necessary.

3.2.4 Monitoring

Compliance performance shall be monitored by several key functions within the organisation:

- ARC
- General Counsel; and
- The Risk and Compliance Team.

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3.3 Potential Compliance Failure

AICD encourages the proactive reporting of potential compliance breaches, issues, incidents, and complaints.

Breaches in compliance shall be proactively identified, reported in a timely manner through the [AICD Incident Reporting form](#), and prompt corrective action taken.

Regular assurance reporting on significant breaches, trends and systemic issues, and the level of compliance shall be conducted across the AICD in line with the RMF.

Employees who fail to comply with applicable internal or external compliance obligations or fail to participate in compliance training or other requirements may be subject to disciplinary action, and in some cases may incur penalties under relevant laws or regulations.

4. Authorities and Responsibilities

The following roles within AICD are responsible for ensuring that the AICD's commitment to compliance is realised:

Role	Responsibilities
Board	<ul style="list-style-type: none"> Establishes a top-down commitment from the Board to promote effective compliance practices across AICD. Oversees, reviews, and confirms the effectiveness of the compliance program within the organisation.
Audit and Risk Committee (ARC)	<ul style="list-style-type: none"> Monitors compliance within legislative and regulatory requirements. Reports to the AICD Board the effectiveness of the compliance program and identifies any areas of risk or concern(s). Reviews and make recommendations to the Board on the outcomes of the compliance programs investigations into compliance incidents and concerns.
Executive Management (MD & CEO)	<ul style="list-style-type: none"> Establishes a top-down commitment to promote effective complaint practices across AICD Is responsible for all compliance matters and is accountable to the Board for compliance across the whole of AICD. Is responsible for promoting a culture of commitment to compliance and to lawful decision-making.
General Managers	<ul style="list-style-type: none"> Maintains compliance management and reporting in respect of their business unit. Identifies impacts on their business unit compliance obligations and controls, due to: <ul style="list-style-type: none"> Proposed new or modified activities, products, and services; and/or Changes to organisational structure or systems. Consults with the General Counsel and/or the Risk and Compliance Team as required, particularly in relation to significant changes to the law or risk.

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Role	Responsibilities
General Counsel	<ul style="list-style-type: none"> • Maintains a Legal and Compliance Registry. • Reviews and keeps abreast of legal issues, risks, and changes to the regulatory environment in which AICD operates. • Consults with all other business units as required, particularly in relation to significant changes to the law or legal risk. • Provides legal training and awareness on compliance issues.
Risk & Compliance Team	<ul style="list-style-type: none"> • Provides risk training and awareness on compliance risks. • Supports all other business units in identifying and monitoring compliance requirements including, where required, the development of a Compliance Plan in respect of key obligations. • Provides advice to employees on the effective management of their respective compliance requirements, including corrective actions. • Provides reporting on risk and compliance matters on a regular basis, as required by the Executive Committee and the ARC.
All Staff	<ul style="list-style-type: none"> • Demonstrates the AICD's commitment to compliance by acting in accordance with the AICD's compliance obligations, seeking advice where necessary. • Raises compliance risks, incidents, issues, and breaches in line with the relevant policies and the RMF and promote a positive and risk-aware culture.

5. References

5.1 Related Documents

- Code of Conduct
- Delegation of Authority Policy
- Gifts & Anti-Bribery Policy
- Privacy Policy
- Risk Management Policy
- Risk Management Framework
- Speak Up Policy
- Workplace Health and Safety Policy

5.2 Linked Documents

- [AICD Incident Reporting form](#)

5.3 Applicable Legislation and standards

- *Criminal Code Act 1995* (Cth)
- Work Health and Safety Laws
- *The Australian Charities and Not-for-profits Commission Act 2012* (Cth)
- *The Corporations Act 2001* (Cth)
- *The Competition and Consumer Act 2010* (Cth), which incorporates the *Australian Consumer Law* (ACL)
- *The Privacy Act 1988* (Cth)
- *The SPAM Act 2003* (Cth)
- Commonwealth, State and Territory Taxation Laws
- The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)
- The Payment Card Industry Data Security Standard

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6. Definitions

Term	Definition
AICD	The Australian Institute of Company Directors (ABN 11 008 484 197).
ARC	The Audit and Risk Committee of the Board.
Board	The Board of Directors of the AICD.
Compliance Plan	A list of key compliance obligations, the source of the obligation, the business owner, the relevant teams and activities affected and key controls or other measures in place (such as an action plan to address gaps) to ensure compliance.
Employees	All full-time and part-time employees of the AICD employed on a permanent or fixed term basis as well as casual employees.
Executive Committee	Executive managers reporting directly to the MD & CEO and for the purposes of the Policy, the Head of HR.
MD & CEO	The Managing Director and Chief Executive Officer.
RMF	The AICD's Risk Management Framework (RMF)
Volunteers	Any person who volunteers for the AICD.

7. Policy Information

Policy Author:	General Counsel A/Head of Risk and Compliance	Policy Owner:	Head of Risk and Compliance
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8. Document History

Version	Date Approved	Author	Description of revision
1.0	November 2016	Policy Author	First release of Policy
1.1	June 2019	Pauline McCann	Second release of Policy. - Reference to the Risk Management Framework (RMF) - Ownership transferred from General Counsel & Company Secretary to Chief Financial Officer & General Manager, Corporate Services. Approved by the Board on 13 June 2019.
1.2	June 2022	Madelaine Kloucek	Revised and updated policy to set out a clear compliance framework. Approved by the Board on 02/09/2022.