

RISK MANAGEMENT POLICY

Policy: Risk Management Policy
Date: Board Approved: 13 June 2019
Next Review Date: June 2021

1. Purpose

- (a) The AICD will maintain a Risk Management Framework (**RMF**) in order to achieve balanced risk adjusted outcomes for the AICD. Adherence to the RMF will:
- (i) Reduce the likelihood of unacceptable or unknown outcomes;
 - (ii) Provide greater openness and transparency in decision making and ongoing management processes;
 - (iii) Ensure the AICD maintains its mission to be an independent and trusted voice of governance;
 - (iv) Provide a better understanding of risks associated with the AICD's activities;
 - (v) Represent an effective reporting framework for meeting corporate governance requirements; and
 - (vi) Provide a comprehensive risk assessment of major projects.
- (b) The Board:
- (i) Expects the Executive Committee to foster an open culture of risk awareness and the development and monitoring of processes that enhance the management of risk;
 - (ii) Expects the Executive Committee to effectively consider risks in decision making, complementary processes and systems including compliance, finance, business continuity management, disaster recovery and crisis management, insurable risk management and strategic planning; and
 - (iii) Requires all staff to be trained and educated on the importance of risk management, in particular, embedding awareness across the organisation.

2. Objectives

- (a) The objectives of the RMF are to:
- (i) Provide the Board with comfort that the risks confronting the AICD are being identified, assessed and managed effectively within the AICD's Risk Appetite Statement;
 - (ii) Foster a strong risk management culture enabling transparency, proactively identifying and assessing new and changing risks and promoting early engagement of the Risk & Compliance and the Legal Team when required (particularly in change initiatives, projects and third-party engagement);
 - (iii) Create an integrated risk management process that is effective and promotes a culture of continuous improvement and innovation; recognising the need to balance risk versus innovation;

RISK MANAGEMENT POLICY

- (iv) Ensure that risk management is integrated into the development of strategic and business plans, change initiatives, projects and third-party contracts; and
- (v) Enable risk management activities to contribute to achievement of the AICD's vision and values.

3. Scope

This Policy applies to:

- (a) each director and officer of the AICD;
- (b) each Employee and Contractor of the AICD;
- (c) Division Council Members;
- (d) Volunteers; and
- (e) to any other person notified that this Policy applies to.

4. Responsibility

The Executive Committee is responsible for an efficient and effective risk management across the AICD. This includes implementing policies and procedures that address risk identification and control, training and reporting.

The Managing Director & Chief Executive Officer (**MD & CEO**) is responsible for ensuring the process for managing risks is integrated within divisional business planning and management activities.

Reports on the AICD's risk profile should be provided to the Risk & Compliance Committee (**RACC**), however described, by the MD & CEO or Executive Committee bi-annually. Additional reporting may be required on request by the RACC or the Board.

The RACC will be responsible for reviewing and making recommendations to the Board in relation to the AICD's RMF and adherence to the framework, including the Risk Appetite Statement.

5. Review

The Board will review the RMF annually. The Executive Committee should consider whether additional review and update of the RMF is required due to any material change in the AICD's circumstances.

This Policy was first adopted by the Board on 13 July 2009. This Policy is subject to annual review.

6. Definitions

Term	Definition
AICD	The Australian Institute of Company Directors (ABN 11 008 484 197).

RISK MANAGEMENT POLICY

Term	Definition
Executive Committee	Business unit executive managers reporting directly to the MD & CEO and in addition for the purposes of this Policy, the CIO and the Head of HR.
Contractors	AICD contracting staff, AICD Faculty, AICD Board Advisors and any temporary staff employed via third parties.
Division Council Members	Division Council Members of the AICD.
Employees	All full-time, part-time and casual employees of the AICD employed on a permanent or fixed term basis.
RACC	The Risk & Compliance Committee, however described.
Risk & Compliance Team	Consists of the Head of Finance, Risk & Analytics, Senior Manager – Risk & Compliance/AICD Privacy Officer and the Risk Analyst.
Volunteers	Any person who volunteers for the AICD.

7. Policy Information

Policy Author:	Pauline McCann	Policy Owner:	CFO & GM, Corporate Services
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8. Document History

Version	Date Approved	Author	Description of revisions
1.1	July 2015	A. Madry	
1.2	June 2019	P McCann	Align Policy to approved Risk Management Framework. Approved by the Board on 13 June 2019.