

Risk Management Policy

Version 1.0

April 2016

Australian Association of Associations - Risk Management Policy

General

1. The Australian Association of Associations’ (AAA) mission is: ***to facilitate engagement between associations impacted by a particular public policy in order to generate a strong coordinated response***.
2. As a member based entity, AAA is an organisation where its very survival is contingent on the quality of its outcomes, where any impact on reputation could have devastating consequences. The management of risk within AAA is an important enabling function that will help the organisation meets the expectations of our many stakeholders and provide quality services to our client base.
3. Our understanding and management of risk will provide greater certainty and security for stakeholders, our employees and our customers. We will be better informed, more decisive and move with increased confidence to the achievement of our specified outcomes and objectives.

Purpose

1. The purpose of the risk management policy is to provide guidance regarding the management of risk to support the achievement of corporate objectives, protect staff and business assets and ensure financial sustainability.

In implementing this policy, AAA is committed to ensuring:

* + - * 1. That risk management is an integral part of AAA planning and decision making processes.
        2. There is a consistent approach to managing risks across AAA.
        3. Clear roles and responsibilities are defined.
        4. All staff with risk management roles and responsibilities are provided with the necessary authority to undertake these responsibilities.
        5. There is accountability assigned to all those with risk management responsibilities.
        6. The necessary resources are allocated in support of the policy outcomes.
        7. Communication within AAA’s stakeholder community in relation to the identification and management of risk is promoted and encouraged.
        8. We are honest with ourselves and with others in relation to the risk exposures and challenges faced by AAA.

In making this commitment, AAA will be well placed to meet our mission and will ensure the credibility and reputation of the organisation within our stakeholder community is of the highest order.

Linkages

This Policy provides the over-arching guidance for the AAA Risk Management Program. It is supported by:

* + - * 1. AAA Strategic Risk Context;
        2. AAA Risk Management Plan;
        3. AAA WHS Policy;
        4. AAA Fraud Control Policy;
        5. AAA Business Continuity Policy and Plan.

If there are any amendments to this policy, all other policies and plans must be reviewed in order to ensure they are still aligned.

Application

This Risk Management Policy applies to all AAA activities.

Policy Statements

The following are the policy statements for the AAA Risk Management Program:

* + - * 1. AAA managers must lead, actively participate and have complete oversight over all aspects of risk management within their areas of responsibility.
        2. The criteria to be used for risk assessments are those detailed in the AAA Risk Management Plan, which supersedes any risk plans that have been developed previously.
        3. All AAA risks are to be recorded and updated within AAA's risk register.
        4. All risk registers are to be periodically and consistently reviewed in accordance with the timeframes specified in the AAA Risk Management Plan.
        5. Risks are to be reported to the Board quarterly.

By implementing these policy statements, the AAA will have a much greater chance of achieving the objectives captured in the Corporate Plan. Furthermore, it will provide the AAA Executive with visibility of the AAA risk profile, something that has not previously been available.

Performance Measures

1. The performance of the risk management program will be measured in relation to three distinct categories:
2. Compliance with this policy;
3. Maturity of the risk management program; and
4. Value add to the business.
5. The full detail of the performance measures for the risk management program are detailed in the AAA Strategic Risk Management Context and reflected in the AA Performance Management Framework.

Roles and Responsibilities for Risk Management within the AAA

The following is a broad overview of the roles and responsibilities for the management of risks within the AAA. Full roles and responsibilities are contained in the AAA Risk Management Plan.

|  |  |
| --- | --- |
| **AAA Board** | The AAA Board is responsible for providing leadership for the implementation and ongoing maintenance of the AAA risk management program through involvement in the process, allocation of sufficient resources and effective engagement with all AAA stakeholders on risk matters. |
| **CEO** | The CEO is responsible for the effective implementation of the AAA risk management program as well as ensuring the ongoing robustness of the program. |
| **Risk Manager** | The role of the Risk Manager is to undertake the day to day responsibilities provide advice on risk management and guidance to the CEO. |

Policy Owner

The policy owner is the CEO.

Review Requirements

This policy is to be reviewed annually.

Conclusion

The development and implementation of the Risk Management Program will contribute significantly to the effective governance of the AAA. The visibility of risks will provide the AAA Executive team, with a detailed understanding of our risk profile and will assist greatly in decision making.

The effective implementation and ongoing maintenance of the Risk Management Program requires commitment and leadership from all levels of management within AAA.

**Jennifer Marsden**

CEO

April 2016