

RISK MANAGEMENT POLICY

Policy: Risk Management Policy
Date: Board Approved: 2 June 2022
Next Review Date: June 2024

1. Purpose

- (a) The AICD will maintain a Risk Management Framework (**RMF**) 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, strategic initiatives and product/services that have a significant change impact.
- (b) The Board:
 - (i) Expects the Executive Committee (ExCo) to foster an open culture of risk awareness and the development and monitoring of processes that enhance the management of risk;
 - (ii) Expects ExCo 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 ExCo to ensure staff are trained and educated on the importance of risk management and embedding awareness across the organisation.

2. Objectives

- (a) The objectives of the RMF are to:
 - (i) Provide the Board with comfort that strategic and operational risks encountered by the AICD are being identified, assessed and managed effectively within the AICD's Risk Appetite Statement;
 - (ii) Foster a strong risk management culture that encourages transparency, proactive identification and assessment of new and changing risks and promoting early engagement with the Risk & Compliance and Legal Teams when required (particularly in change initiatives, projects, and third-party engagement);

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- (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;
- (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. Roles and Responsibilities

The following table highlights the roles and responsibilities for Risk management at the AICD:

Role	Responsibilities
AICD Board (the Board)	The Board delegates responsibility to the ExCo for the identification, assessment and treatment of risks. The Board will review and endorse the RMF on an annual basis.
RACC	Review and make recommendations to the Board in relation to the AICD's RMF and adherence to the RMF, including the Risk Appetite Statement.
MD & CEO	Ensure the process for managing risks is integrated within business planning and management activities.
Risk Owners	Includes ExCo, and those responsible for the oversight and stewardship of risk management and the effective management of their respective business unit risks. This will include implementing policies and procedures that address risk identification and control, training, and reporting.
Risk & Compliance Team	Provide risk training and awareness to AICD staff. Supporting Risk Owners and teams to identify, assess, and manage all departmental risks, AICD enterprise risks and compliance obligations. Facilitate and support all elements of the AICD RMF and this Policy. This includes, but is not limited to providing advice and guidance, and monitoring, regarding risks and controls, incidents, complaints, regulatory breaches, and challenging risks and control assessments. Provide reporting on risk and compliance matters on a regular basis, as required by ExCo and the RACC.

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Role	Responsibilities
Employees	Raise risks, incidents, issues, and breaches in line with the relevant policies and the RMF, and promote a positive and risk-aware culture.

5. Review

The Board will review the RMF and this Policy biennially. ExCo should consider whether additional review and update is required on a more frequent basis due to any material change in the AICD's risk profile or circumstances.

6. Definitions

Term	Definition
AICD	The Australian Institute of Company Directors (ABN 11 008 484 197).
Executive Committee (ExCo)	Business unit executive managers reporting directly to the MD & CEO and in addition for the purposes of this Policy, the Head of Human Resources.
Contractors	AICD contracting staff, AICD Faculty, AICD Board Advisors and any temporary staff employed via third parties.
Division Councillors	Division Councillors of the AICD.
Employees	All full-time, part-time, and casual employees of the AICD employed on a permanent or fixed term basis.
MD & CEO	The Managing Director & Chief Executive Officer of the AICD.
RACC	The Risk & Compliance Committee, however described.
Risk & Compliance Team	The Head of Risk and Compliance and those reporting into that function.
Volunteers	Any person who volunteers for the AICD.

7. Policy Information

Policy Author:	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 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.
1.3	2 June 2022	T Wong	Align Policy to approved Risk Management Framework, in particular, updates to Roles & Responsibilities.