Risk Management Policy 1.0

Version	1.0	Approved by	Board
Drafted by	Robyn Brown	Approved date	20 March 2021
Responsible person	Ariane Dixon	Review date	20 March 2023

Introduction

Risk Management is a key element of effective corporate governance. Recognising this, We Care Connect has developed a risk management policy and specific, comprehensive procedures for managing operational risks.

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Purpose

This Risk Management Policy has been created to:

- Safeguard the wellbeing of the families, volunteers and staff of We Care Connect;
- Provide a consistent risk management framework in which the risk that may impact We Care Connect will be identified, analysed, assessed and treated through key approval, review and control processes;
- Encourage pro-active rather than re-active management;
- Provide assistance to, and improve the quality of decision making through We Care Connect;
- Better identify and quantify opportunities and threats;
- Assist We Care Connect meet legal or statutory requirements; and
- Safeguard the assets of We Care Connect – people, finance, property and reputation.

Scope

This policy applies to all We Care Connect staff, Board of Directors (Board), volunteers and contractors across all activities in the organisation.

Definitions

- **Risk** - the "effect of uncertainty on objectives" and an effect is a positive or negative deviation from what is expected. So, risk is the chance that there will be a positive or negative deviation from the objective you expect to achieve. It is measured in terms of likelihood and impact. Risk is measured by assessing both their likelihood and consequence which categorises them as High, Medium or Low.

- **Risk Management** - a coordinated set of activities and methods that is used to direct an organisation and to control the many risks that can affect its ability to achieve its objectives. Risk management process means the systematic application of management policies, procedures and practices to the task of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk;

- **Risk assessment** - a process that is, in turn, made up of three processes: risk identification, risk analysis, and risk evaluation.

- **Risk identification** - a process that involves finding, recognising, and describing the risks that could affect the achievement of an organisation's objectives. It is used to identify possible sources of risk in addition to the events and circumstances that could affect the achievement of objectives. Risk identification is a process that is used to find, recognise, and describe the risks that could affect the achievement of objectives.

- **Risk analysis** - a process that is used to understand the nature, sources, and causes of the risks that you have identified and to estimate the level of risk. It is also used to study impacts and consequences and to examine the controls that currently exist.

- **Risk evaluation-** a process that is used to compare risk analysis results with risk criteria in order to determine whether or not a specified level of risk is acceptable or tolerable.

- **Risk treatment** - a risk modification process. It involves selecting and implementing one or more treatment options. Once a treatment has been implemented, it becomes a control or it modifies existing controls.

- **Risk Measurement** – risks are measured as having a residual risk in the following way:

Low	A risk/potential threat that is likely to have a minor negative impact on the operations of the organisation in the immediate term

Medium	A risk/potential threat that may hamper the efficient operation of the organisation on an ongoing basis or an event where the impact may result in reduction of operations, or a reportable breach.
High	A risk/potential threat that may result in serious physical injury or death; or which may result in business disruption or government intervention
Extreme	A risk/potential threat which may result in catastrophic impact which threatens the organisation

Policy

Risk Management System

We Care Connects' Risk Management System is based on the following components:

- Active support by senior management/volunteers of a culture supporting awareness and management of risk;
- Implementation of a policy and procedures framework which is understood and owned by all management and Board;
- Communication and development of processes that make risk management integral to the way We Care Connect does business;
- Implementation of processes to identify, assess, and manage key risks; and
- Implementation of processes to monitor the risk management framework, including ongoing evaluation and reappraisal of key risks and regular reporting to the BOM.

Risk Identification

Major risks confronting We Care Connect have been categorised as follows:

1. Operational; (Human Resources, IT, Data, Security, Service Delivery, Material Donations, Management, Negligence in Provision of Faulty Equipment)
2. Financial; (Funding, Legal Commercial)
3. Strategic; (Compliance/statutory, Political and Reputational)

- Risk will normally be identified, evaluated and managed by the CEO and BOM.

LIKELIHOOD PROBABILITY		
LIKELIHOOD LEVEL	**DESCRIPTION**	**PROBABILITY**

Almost certain (5)	Is expected to occur in most circumstances	>95%-100%
Likely (4)	Will probably occur once during the year	70% - 95%
Possible (3)	Might occur at some time - once every 3 years	30% -70%
Unlikely (2)	Could occur at some time	5%-30%
Rare (1)	May occur in exceptional circumstances.	<5%

ESCALATION GUIDELINES		
RISK LEVEL	**RISK TREATMENT GUIDLINES**	**ESCALATION GUIDELINES**
EXTREME	Immediate action required to actively manage and limit exposure	Escalate to Board
HIGH	Cost benefit analysis required to assess extent to which risk is to be treated.	Escalate to Board at next BOM Meeting
MEDIUM	Regular monitoring required to ensure risk exposure is managed effectively	Usually managed at an operational level by CEO or his appointee
LOW	Effectively managed through routine procedures and appropriate internal controls	Monitor and managed by management team and section coordinators

● Where an unacceptable extreme or high risk , is identified, the CEO is required to take

action as appropriate to address the matter and inform the Board chairperson immediately and on

an ongoing basis until resolved to the satisfaction of the BOM

● Identified High risks and new risks are reported at each Board meeting and annually as part of the Risk Management System and Strategic planning review.

Analysis, Assessment and Prioritisation of Risks

We Care Connect actively analyses, evaluates, treats, communicates and monitors risk in order to minimise loss and maximise opportunities. The Board approves the Risk Management Policy, the annual Risk Assessment and approves appropriate risk tolerances and assesses the ongoing adequacy and effectiveness of the risk management system. Management operationalise the Risk Management Policy by:

- Identifying the key risks associated with We Care Connect;
- Analysing and assessing key risks;
- Prioritising key risk by applying a Risk Rating to each risk;
- Assigning responsibility for risk management;

- Implementing an effective reporting structure, format and frequency;
- Identifying mitigation strategies for each risk; and
- Identifying responsibilities for monitoring each risk.

Risk Treatment, Monitoring and Communication

All risks identified are monitored to ensure that they remain within the Board risk appetite.

The intention is to ensure that each risk assessed as Medium or above is regularly reviewed:

- In order to reduce or mitigate each risk to the ensure it is within the tolerance of the Board; and
- To ensure that specified controls are effective.

Material risk matters and any recorded incidents are reported at each BOM meeting. In the event that a new risk which has been categorised as Medium or above arises, the incident or occurrence must be immediately reported to the Chair of the Board advising:

- Details of the incident or event;
- How the incident occurred;
- Identify the source of the failure to prevent the risk occurrence;
- Steps taken to minimise the impact of the occurrence; and
- Steps taken to rectify the breakdown or weakness in the risk controls system.

The Chair will forward a copy of the report, together with their comments, to Board members.

The Chair must ensure that all such occurrence reports are tabled at the next Board meeting.

Formal risk assessments will be conducted annually by the CEO.

Responsibilities

Board is responsible for approving the Risk Management Policy, the annual Risk Assessment and the Risk Management System.

CEO is responsible for quarterly review of any movement in risk and reporting any new risks. He/She is also responsible for ensuring the annual Risk Assessment is conducted appropriately and that the Risk Management System is reviewed appropriately to ensure it is adequate for the organisation.

Reporting

A formal Risk Management Assessment is done at the end of each year and reported to   the Board for approval.

Review

This policy will be reviewed bi annually by the Board.

Policy Implementation Documents

The following document is to be used when implementing this policy:

- We Care Connect Risk Register ,Input Lists and tables which includes the Inherent Risk Rating Grid .

Acknowledgements

This document is modified from, with permission on the St Kilda Mums 'Risk Management Policy 2.0 drafted by Mary Brown , approval date 19 Sept 2019
Robyn Brown: Director & Board Member: Uniting ;
 Risk Management for Not for Profit Organisations manual