



Risk Management Policy Guidelines

As adopted by Council June 2009

1. Introduction

The Society's philosophy towards risk is not to be risk averse but to enable risks to be identified, discussed, mitigated and monitored in a balanced manner.

These Guidelines recognises that risk management is an integral part of good management and corporate governance practice and that, in relation to commercial strategy, an element of risk is inevitable and in some cases encouraged.

The Guidelines support an approach of managing risk to complement the strategies adopted to achieve the Society's corporate objectives, increase confidence and enhance the value the Society provides to its stakeholders.

2. Policy Guidelines Statement

The Society encourages its management to foster an open culture of risk awareness and development and monitoring of processes that enhance the management of risk to:

- avoid the likelihood of unacceptable outcomes and costly surprises;
- provide greater openness and transparency in decision making and ongoing management processes;
- provide for a better understanding of issues associated with an activity;
- comprise an effective reporting framework for meeting corporate governance requirements; and
- allow an appropriate assessment of innovative processes to expose risks before they occur and allow informed judgement.

3. Objectives

The objectives of these risk management policy guidelines are to:

- provide a framework that will provide management with comfort that risks confronting the organisation are being identified and managed effectively;
- ensure that the management of risk is considered as part of the delivery of the of strategic plan outcomes and the achievement of the Society's vision and values.

4. Types of Risk

There are a range of specific risks that have the potential to have an adverse impact on the Society's business. As part of the Society's risk framework, the following guidance is given with respect to certain commonly identified risks.

4.1 Financial risks

4.1.1 Financial Delegations

As part of the Society's risk framework, Society's processes include:

- A series of delegation policy, differentiating between budgeted and non-budgeted items, across business; and
- Policy/procedures for an independent review of approved amounts before payment, regardless of the approver, quantum, identity of the recipient.

4.1.2 Insurance

As part of the Society's risk framework, Society's processes include:

- Policy/procedures with respect to insurance renewals; and
- Policy/procedures with respect to the introduction of new insurances.

4.1.3 Taxation

As part of the Society's risk framework, Society's processes include processes to ensure the Society is compliant with relevant taxation legislation.

4.1.4 Treasury

As part of the Society's risk framework, the Society is progressing the introduction of a Financial Investment Strategy which will take into consideration the following:

- market price risk;
- liquidity risk;
- credit risk; and
- any other key economic metric.

4.2 Business Risks

4.2.1 Legal

Legal matters are referred to the Society's solicitors for external advice.

4.2.2 Strategic

The Society has in place a Strategic Plan.

4.3 Operational risk

4.3.1 Workplace

The Society has developed a series of Administration policies.

4.3.2 Personnel

The Society has developed a series of policies designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the Society's results to be delivered, and to attract and maintain talented and motivated employees.

5. Responsibilities

The Executive Director is responsible for ensuring the process for managing risks is integrated within business planning and management activities

Management is responsible for efficient and effective management across the Society. This includes ensuring the implementation and review of policies and procedures that address risk identification and control, training and reporting.

6. Review

This Guideline will be reviewed from time to time by the Executive and referred to Council to ensure their continued application and relevance.