

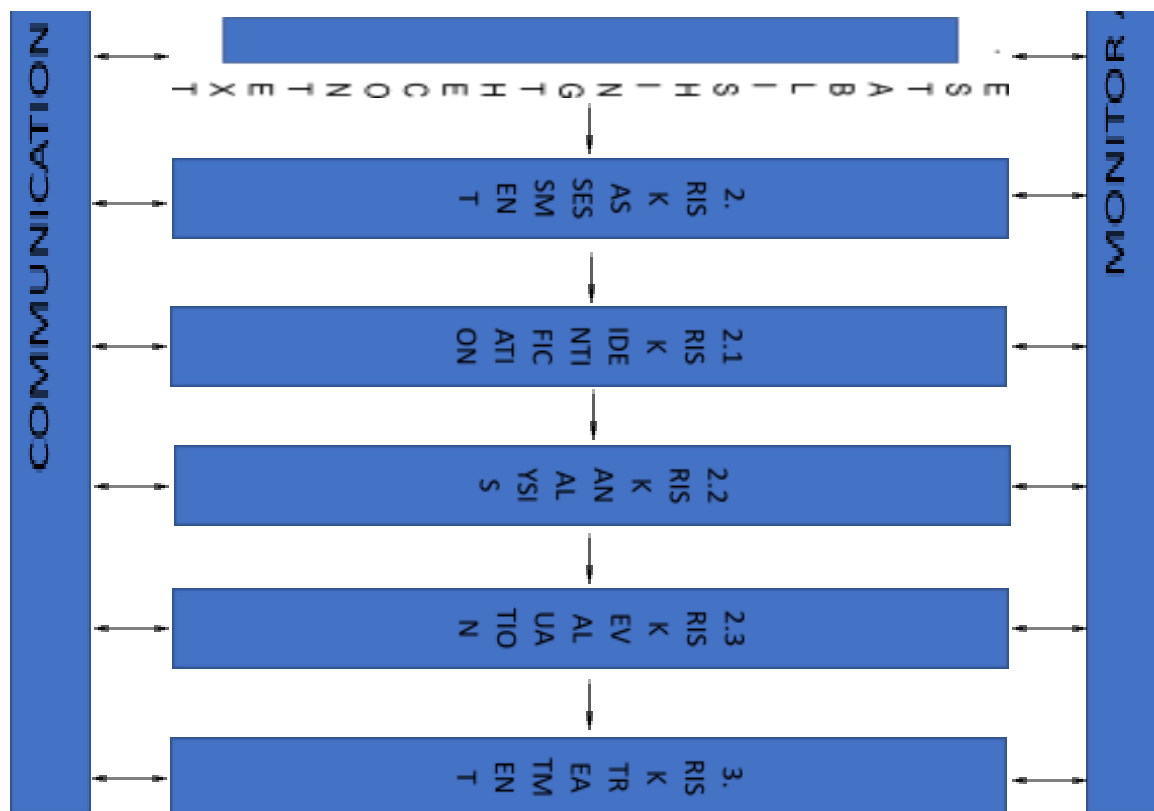


AUSTRALIAN CHEER UNION

Risk Management Policy
28 June 2021

OVERVIEW

The Risk Management Process is the whole set of activities you carry out to identify, assess, manage and monitor any risks to which your organisation may be exposed. The diagram below outlines the main steps that will be undertaken by the Australian Cheer Union.



Australian Cheer Union recognises that the organisation is exposed to certain risks due to the nature of its activities and the environment in which it operates. The key to Australian Cheer Union success is the effective management of risk to ensure its organisational objectives are achieved.

Risks arise due to the organisation's operational undertakings and from external sources. Risks occur in numerous ways and have the potential to impact financial performance, reputation, health and safety, community, and the overall performance of the organisation.

POLICY

In order to fully understand such risks, Australian Cheer Union has established a Risk Management Policy which provides the framework for how risk will be managed within the organisation. The Risk Management Policy is based on the Australian Standard, AS/NZS ISO 31000:2009 Risk management – Principles and guidelines, and forms part of the governance framework of the organisation.

It also integrates with the strategic planning process. The Policy addresses both strategic and operational risks. We will use our skills and expertise to identify risks across the organisation. Australian Cheer Union will also identify operational controls in place which manage risk. We will assess the size or degree of risk by taking into consideration the potential impact to our operations.

Risks will be ranked in a common and consistent manner and a Risk Register will be maintained containing material risks to the organisation. Risk treatment actions and plans will be developed for risks which are unacceptable to the organisation.

Risks, and the effectiveness of the risk management system will be monitored on a regular basis, and we will communicate and consult with relevant stakeholders on our approach to managing risk.

RISK TOLERANCE

Our tolerance for adverse risks will be used to determine which risks are treated through the development of risk treatment actions to manage risks to an acceptable level. During this process we will consider additional control measures to manage the risks to acceptable levels.

INTEGRATION WITH GOVERNANCE AND STRATEGIC PLANNING

The Risk Management Policy forms part of the governance framework and integrates with the strategic planning process. The Policy addresses both strategic and operational risks and the requirement of the organisation to operate in its regulatory environment.

ACCOUNTABILITY

Ownership of risks and risk treatment actions will be assigned to relevant roles within the organisation. Australian Cheer Union has incorporated risk management accountability in executive, management and supervisory roles which are required to report on risks and risk treatment actions.

RISK MANAGEMENT OVERSIGHT

Australian Cheer Union's Audit and Risk Committee (or the National Board in the interim) will oversee the Risk Management Policy and the organisation's exposure to risk. Oversight of the effectiveness of our risk management processes and activities will provide assurance to the Board and stakeholders and will support our commitment to continuous organisational improvement.

REPORTING, MONITORING AND REVIEW

Australian Cheer Union will monitor risks and treatment actions on an ongoing basis. Performance of the risk management system and outstanding risk treatment actions will be reported to the Audit and Risk Committee (or National Board in the interim) on a regular basis.

Formal reviews of both the risk management system and the Risk Register will take place on an annual basis and the Board will assess the effectiveness of the Risk Management Policy annually.

COMMUNICATION AND CONSULTATION

Australian Cheer Union will communicate and consult with its stakeholders (internal and external) on its approach to risk management.

RISK CATEGORIES AND DESCRIPTION

RISK CATEGORY	DESCRIPTION
Compliance/Statutory	Inadequate compliance systems in place which may result in fines and penalties from the regulator
Legal/Commercial	Breach of contract resulting in potential fines or litigation
Political/Economic	Changes in the political landscape resulting in possible loss of funding
Financial/Funding	Failure to effectively manage the financial resources of the organisation which may result in financial loss
Management	Poor Management systems resulting in duplication and potential loss of productivity
Operational	Disruption to day-to-day activities due to systems or process failure resulting in potential loss of productivity
Service Delivery	Reduced quality of service delivery resulting in potential loss of reputation
Work Health & Safety	Failure of staff to follow procedures resulting in potential injury and health and safety incident
Human Resources	Inability to adequately resource programs with possible program delays and loss of reputation
Stakeholders	Financial failure of key supplier resulting in potential impact to delivery of services
IT/Information Management	Loss of digital records through inadequate IT systems resulting in potential loss of reputation and/or loss of productivity
Security	Breach of security due to failure to follow procedures resulting in potential theft/or loss of assets
Reputational	Adverse media attention and/or heightened concern of local community

RISK CONSEQUENCE CRITERIA

RISK CONSEQUENCE	DESCRIPTION
Insignificant (1)	No action required and/or low financial loss
Minor (2)	No further action is required at Present, but monitoring will be necessary to ensure controls are maintained
Moderate (3)	Efforts need to be made to reduce the risk, but the costs of doing so need to be carefully considered.
Major (4)	The activity should be halted until the risk has been reduced or sufficient control measures are in place.
Critical (5)	The activity that gives rise to the risk should be prohibited. This may indicate that it needs to be part of a legal compliance plan.

RISK LIKELIHOOD CRITERIA

LIKELIHOOD CRITERIA	DESCRIPTION	PROBABILITY
Almost Certain (5)	Is expected to occur in most circumstances – frequently during the year	>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 – once every 5 years	5%-30%
Rare (1)	May occur only in exceptional circumstances. This event is known to have occurred elsewhere – once every 5+ years	<5%

RISK MATRIX

L I K E L I H O O D	ALMOST CERTAIN 5					
	LIKELY 4					
	POSSIBLE 3					
	UNLIKELY 2					
	RARE 1					
		INSIGNIFICANT 1	MINOR 2	MODERATE 3	MAJOR 4	CRITICAL 5
CONSEQUENCE						

ESCALATION AND RETENTION GUIDELINES

RISK LEVEL	RISK TREATMENT GUIDELINES	ESCALATION AND RETENTION GUIDELINES
Extreme	Immediate action required to actively manage risk and limit exposure	Escalate to the Board, risks generally not accepted or retained
High	Cost/benefit analysis required to assess extent to which risk should be treated – monitor to ensure risk does not adversely change over time	Escalate to CEO, risks generally not accepted or retained
Medium	Constant/regular monitoring required to ensure risk exposure is managed effectively, disruptions minimised and outcomes monitored	Escalate to relevant senior officer or senior management level, specify risk management actions, risks may generally be retained and managed at operational level
Low	Effectively manage through routine procedures and appropriate internal controls	Monitor and manage at the relevant officer, or operational level, risks generally retained