

AICD RISK MANAGEMENT POLICY

POLICY:	Risk Management Policy
PRECIS:	AICD has a risk management framework that complies with Australian Standards and identifies and assesses controls periodically that prevent or mitigate the incidence of risk. The Audit & Compliance Committee has the responsibility for monitoring the risk management process within AICD.
DATE:	AICD Board approved July 2005 Ratified July 2006, 2007, 2008
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1. POLICY

AICD will maintain a risk management framework that will comply with the Standards Australia Risk Management Standard (AS/NZS 4360:2004), and that will:

- 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.

The AICD Board encourages management to foster an open culture of risk awareness and development and monitoring of processes that enhance the management of risk.

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2. OBJECTIVES

The objectives of this risk management policy are to:

- provide a structured risk management framework that will provide senior management and the Board with comfort that the risks confronting the organisation are being identified and managed effectively;
- create an integrated risk management process owned and managed by AICD personnel that is both continuous and effective; and
- ensure that the management of risk is integrated into the development of strategic and business plans, and the achievement of AICD's vision and values.

3. RESPONSIBILITY

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

The CEO will be responsible for ensuring the process for managing risks is integrated within divisional business planning and management activities.

Reports on Risk Management should be provided to the Audit & Compliance Committee by the Chief Executive Officer or the executives responsible for management of the individual risks.

The Audit & Compliance Committee will be responsible for monitoring the risk management process within AICD.

3. REVIEW

The AICD Board will review the AICD Risk Management Strategy and Assessment annually.

This policy was adopted by the Board on 13 July 2005

Originally adopted by the Board 11 July 2006