Risk Management Policy

Policy no: 037
Version 2
Approved on: 24 August 2023
Approved by: Health Equity Matters Board

1. Purpose

This Policy is an integral component of Health Equity Matters' commitment to good governance and sound management at all levels of the organisation: from a strategic whole-of-organisational level, to an operational and a program/project level.

This Policy outlines Health Equity Matters' commitment and approach to risk management throughout the organisation. Its objectives are to:

- drive a consistent best practice approach to managing risk that is aligned with the international risk standard ISO 31000:2018 Risk Management-Guidelines, February 2018;
- improve organisational performance, encourage innovation and support the achievement of organisational and project objectives by identifying and managing factors that may impact on the achievement of objectives and providing assurance that objectives will be achieved within an acceptable level of risk;
- support and maintain Health Equity Matters' good reputation, legal and regulatory compliance, financial sustainability, security and wellbeing of its people; and
- drive a proactive approach to identifying, communicating and making decisions about risks by all personnel included within the scope of this policy.

2. Scope

Risk management is the responsibility of all Health Equity Matters Personnel, including Board and Committees members, staff employed in Australia and by the AFAO Foundation, volunteers, contractors and consultants.

Health Equity Matters' partners are required to comply with this policy as a condition of their partnership agreement with Health Equity Matters.

3.   Definitions

Term	Definition
Risk	Risk is the effect of uncertainty on objectives.[1] An **effect** is a deviation from the expected and can be positive, negative or both, and can result in opportunities and threats. **Objectives** include strategic, operational and project objectives.
Risk Management	Risk management is coordinated activities to direct and control the organisation with regard to risk.[2] Risk management involves the effective coordination and efficient use of organisational resources to minimise, monitor and control unforeseen adverse events and maximise the realisation of opportunities.

4.   Guiding Principles

Health Equity Matters' risk management approach is consistent with the international risk management standard. It is guided by the principles embedded in that standard as detailed in the table below:

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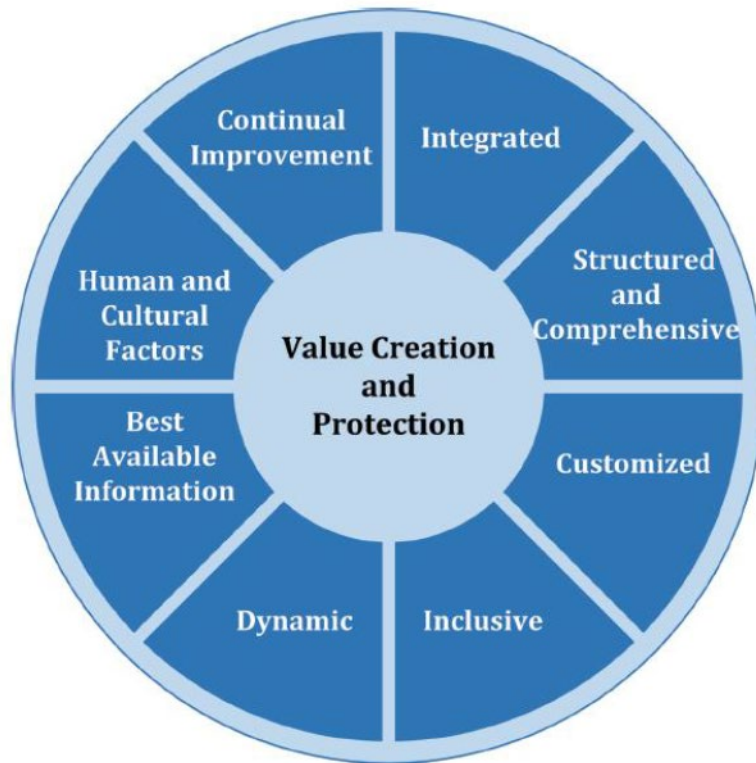
[1] ISO 31000:2018 Risk Management-Guidelines, February 2018
[2] ISO 31000:2018 Risk Management-Guidelines, February 2018

Integrated	Risk management is integrated into governance and management decision-making, and into core activities that supports the organisation's position as the federation of Australia's leading HIV and LGBTIQA+ health organisations.
Structured and Comprehensive	Health Equity Matters' risk management approach captures programs and projects that operate in Australia and overseas. Application of Health Equity Matters risk management tools contribute to consistent results across activities.
Customised	Health Equity Matters' risk management approach is aligned with its strategic plan and tailored to the organisation's strategic and operational context.
Inclusive	Appropriate and timely involvement of members, domestic and international partners, government, and other stakeholders enables their knowledge, views and perceptions to be considered. This results in improvement awareness and informed risk management.
Dynamic	Risk can emerge, change or disappear as Health Equity Matters' external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
Best available Information	Risk management analysis is based on historical and current information, and future expectations. It considers limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to all relevant stakeholders.
Human and Cultural Factors	Human behaviour and culture significantly influence all aspects of risk management.
Continual Improvement	Risk management is continually improved through learning and experience. This learning is key to effective activities that serve and support Health Equity Matters members, partners and communities.

5. Risk Management Approach

Health Equity Matters views risk as anything that may hinder the sustainable achievement of its organisational objectives and results, including the failure to exploit opportunities. Management of these risks at a whole-of-organisation, operational and program/project level, supported by a series of cascading Risk Registers, supports implementation of Health Equity Matters' Strategic Plan.

Health Equity Matters' risk management approach is centred on strong leadership and commitment where both governance and management lead by example, demonstrate a strong commitment to effective risk management, allocate resources to managing risks, and outline clear roles, responsibilities and accountabilities for risk management at all levels of the organisation.

Health Equity Matters has a structured approach to the identification, assessment, and mitigation of risks across all areas of operation including programs/projects. There is regular six--monthly reporting to, and discussion of risks, by the Management Team, the Finance and Audit Committee, and the Board, as follows:

- Members of the Management Team ensure that risk registers are maintained for key operational areas and all programs or projects within their area of responsibility. Program/Project Managers conduct program/project-

specific risk assessment and mitigation activities at the commencement of, and continuously during the implementation of, all programs. Managers ensure that 'high' or 'extreme' rated risks in their operational or program risk registers are escalated to the Management Team and/or CEO, depending on their nature, as required. For example, all safeguarding risks and fraud risks must be escalated to the CEO immediately, via the Complaints Handling and Whistleblower Protection Officer, in line with the Safeguarding Policy and Code of Conduct, and Anti-Fraud and Financial Wrongdoing Policy.

- The Management Team maintains an enterprise Risk Register which is updated every six-months at a minimum. Risks rated as 'high' or 'extreme' are escalated from operational and program/project risk registers by the responsible managers. The Management Team ensures that all key risks for a given period are appropriately documented and effective mitigation strategies are in place and being actioned.
- The Management Team reports on the enterprise Risk Register to the Finance and Audit Committee on a six-monthly basis
- The Finance and Audit Committee reviews the enterprise Risk Register and provides any necessary input on risks identified, their rating, and the appropriateness of mitigation strategies. Any feedback from the Committee is discussed and incorporated into an updated version of the Risk Register.
- The Finance and Audit Committee recommends the Risk Register to the Board for its review and noting.

Health Equity Matters managers include an assessment of any risks and their mitigation in all papers presented to the Board for consideration and/or decision.

6. Roles and Responsibilities

Who	Responsibility
Board	• Ensure that Health Equity Matters has a robust risk management approach that covers all areas of operation and activities. • Approve this policy and future updates.
Finance and Audit Committee	• Oversee and assure robustness of risk management system and reporting. • Endorse this Policy and future proposed changes and recommend to the Board.
CEO/Deputy CEO	• Oversee the management of Health Equity Matters strategic and corporate risks within Board-agreed tolerances. • Ensure 'high' and 'extreme' risks are effectively mitigated, including being escalated to the Board Chair for information and input where required, including all safeguarding and fraud risks.
Management Team	• Ensure that significant risks across Health Equity Matters are escalated and included on the enterprise Risk Register every six-months, or more often as required, and that appropriate mitigation action are in place and being actioned. • Ensure that this Policy is implemented across all Health Equity Matters operations and programs/projects. • Ensure periodic review of this Policy.
Business Operations and Finance Manager	• Ensure that the enterprise Risk Register is reported to the Finance and Audit Committee every six months and that changes to the Register are highlighted.

Managers	• Ensure that risks are identified, recorded, assessed and mitigated in their areas of responsibility and that key risks are escalated to the enterprise Risk Register and discussed with the Management Team.
Health Equity Matters Personnel	• Operate in accordance with this Policy.

7.   Related Policies and Documents

Policy	Title and Hyperlink
	Strategic Plan
011	Anti-Fraud and Financial Wrongdoing Policy
040	Counter-Terrorism and Financial Wrongdoing Policy
001	Delegations of Authority Policy
041	Safeguarding Policy and Code of Conduct
Templates/Tools	
	Risk Registers

8.   Policy History

Date of update	Version	Key changes	Endorsed by	Approved by	Next review
24 August 2023	2	Updated to align with ISO 31000:2018 Risk Management-Guidelines, incorporate guiding principles, update roles and responsibilities, and move risk matrices into an annex.	Finance and Audit Committee	Health Equity Matters Board	August 2026
April 2020	1	Establishment of inaugural Risk Management Policy	Quality Principal	CEO	April 2022

Risk Management Framework

Health Equity Matters considers a range of risk categories in its risk identification, assessment and mitigation processes, including:

•   strategic and corporate risks;
•   program and service delivery risks;
•   political risks;
•   reputational risks;
•   financial risks, including risk or fraud, money laundering or terrorism financing;
•   health, safety and security risks to Health Equity Matters personnel;
•   child abuse and exploitation or sexual exploitation, abuse and harassment of adults risks; and
•   environmental risks.

Residual risks rated as 'high' or 'extreme' will be actively monitored by the Management Team, Finance and Audit Committee, and the Board.

Reporting on the Risk Register will include an analysis of key changes to risks identified, and their ratings to assist track the direction of risks over time.

The tables below provide guidance on the key dimensions of risk management used in the enterprise Risk Register: the likelihood of a risk occurring, the consequences of a risk occurring, and based on the assessment of those two dimensions, the rating of that risk.

Likelihood of a Risk Occurring

The likelihood of a risk occurring is a key consideration when determining the rating of a risk.

Rating	Likelihood of Occurrence	Likelihood of Occurrence
Almost Certain	Occurs regularly: expected to occur in most circumstances	The risk may occur several times over a short period, say 6 months
Likely	Will probably occur	The risk may occur once or twice a year
Possible	May occur at some time	The risk may occur once in a period of several years
Unlikely	Doubtful that it will occur	The risk which is yet to occur but could occur over time
Rare	May occur only in exceptional circumstances	The risk that is relatively unknown and has not been experienced to date

Consequence of a Risk Occurring

The consequences of a risk event can include human rights violations or abuses, discrimination, financial impacts and misuse such as fraud and money laundering, program delivery impacts, business continuity disruptions, regulatory or legal actions, reputation damage and human resource risks. Considerations in determining the consequence of a risk event include: Who will be affected by the risk event? How many areas of consequence will result from the risk event? How long will it take to address the event?

The table below provides broad descriptions used to determine risk consequence ratings.

Rating	Consequence of Occurrence
Severe	Loss of ability to sustain ongoing operations. An event that would cause operations to be substantially disrupted resulting in severe impact
Major	Significantly reduced ability to achieve corporate objectives, impacting our overall business operations, e.g. short-term loss of service
Moderate	Disruption to normal operations with a moderate effect on the achievement of objectives, e.g. temporary loss of service or processing capability
Minor	Limited impact on the achievement of objectives
Insignificant	No impact on the achievement of objectives - readily resolvable by management with no consequence to the business

Risk Ratings

A risk rating is determined based on the combined likelihood and consequence of a risk event occurring, and in accordance with the risk matrix below.

Risk Matrix						
Consequence of Occurrence						
		Insignificant	Minor	Moderate	Major	Severe
Likelihood of Occurrence	Almost certain	Medium	Medium	High	Extreme	Extreme
	Likely	Low	Medium	High	High	Extreme
	Possible	Low	Low	Medium	High	Extreme
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	High