

# Community Living Australia Board Risk Statement



## Benefits

Developing and embedding a risk statement has numerous benefits:

- The clear articulation of the Company's risk appetite and risk tolerance directly guides and informs strategic planning and budgeting; facilitating consistency in these processes.
- Consistent measurement and monitoring of risk facilitates an enhanced understanding of the risks and can optimise spend on more value generating risks, within the organisational risk tolerance.
- The risk statement translates the Board's strategy into business unit strategy and objectives that are relevant and practical for teams and functional business areas.
- Encourages risk management, not as a risk adverse culture, but one that is shared and for which all employees are held accountable.
- Informs the determination of and potential for reduction of an organisation's total cost of risk over time – this is the total cost of managing risk; from active asset protection and loss prevention controls, to insurance and risk management.
- Informs performance management and ties in with setting the culture expected; allowing personnel to make decisions that are aligned to the organisational risk appetite.
- Demonstrates to clients, employees and stakeholders, that the organisation has good corporate governance, a proactive risk management approach and that its key business drivers have been determined with risk appetite in mind.
- Demonstrates to clients, employees, stakeholders that the Company is committed to its values, ethics and corporate sustainability.

## Overview of Risk Appetite

Community Living Australia faces a range of risks. This statement considers the risks to which the Company is exposed and provides an outline of the approach to managing these risks.

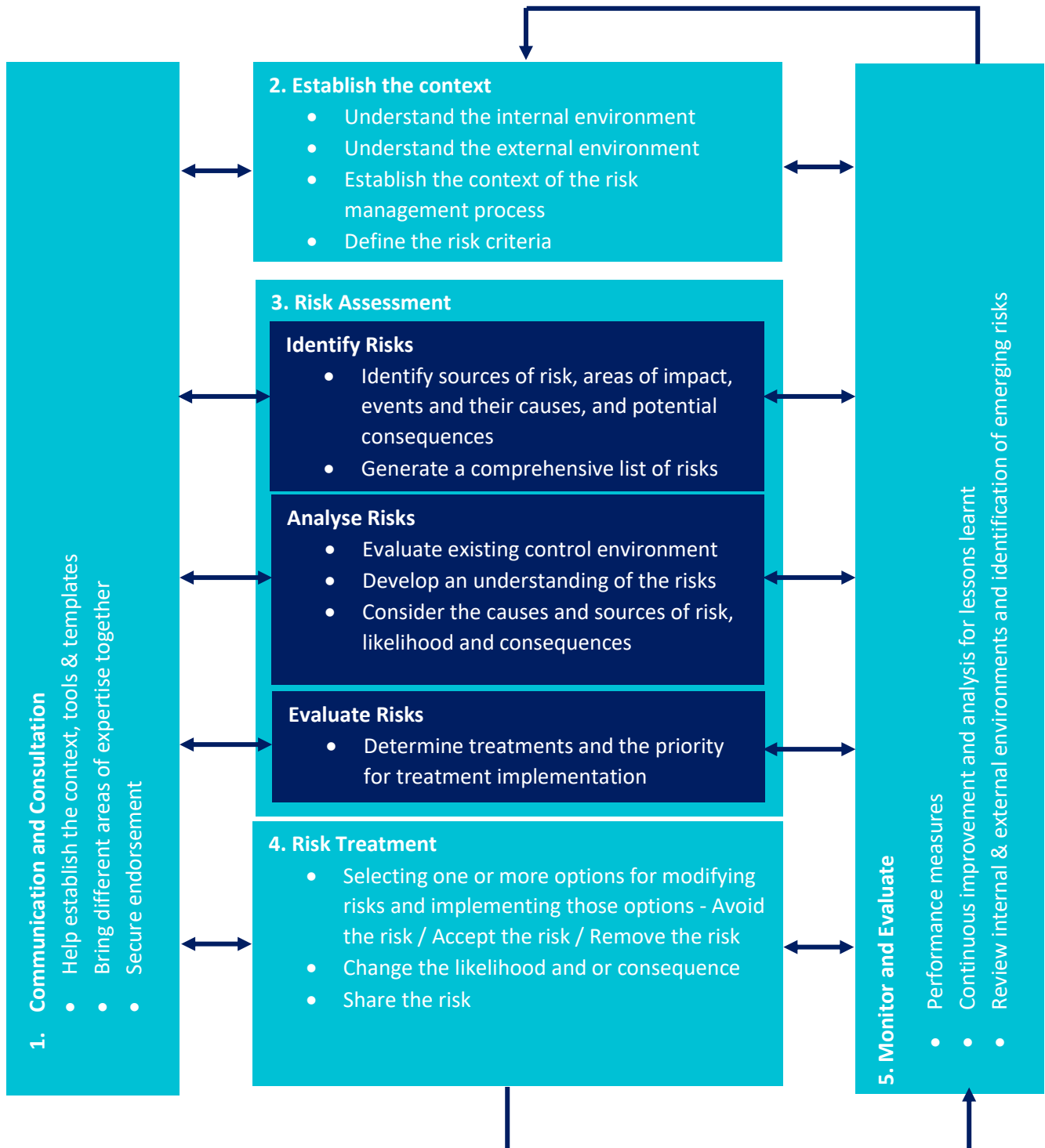
These risks include those resulting from its responsibilities in the areas of direct client service delivery, WH&S of its staff, financial investment, and financial stability, reputational/brand, security of information and day-to-day operational activities.

These risks are managed through detailed processes that emphasise the importance of regulatory standards both legislative and through funding requirements, governance, management obligations and audited reporting, comprehensive insurance, organisational understanding, delegation approvals and maintenance of assets and liquidity.

The Strategic Plan and business plans for functional areas will be consistent with this Statement.

## Risk Management Framework

Community Living Australia's Risk Management Framework seeks to ensure that there is an effective process in place to manage risk across all operations. Risk Management is integral to all aspects of Community Living Australia's activities and is the responsibility of all staff.



## Appetite

The following table summarises Community Living Australia's Risk Appetite.

Key:

|     |            |        |                                   |
|-----|------------|--------|-----------------------------------|
| Low | Low/Medium | Medium | High – Need Attention Immediately |
|-----|------------|--------|-----------------------------------|

| Risk        | Appetite      | Objectives                                  | Focus   |
|-------------|---------------|---|---|
| Strategic   | Medium        | Legislative and Funding                     | Governance<br>Regulatory<br>Business Growth   |
| Financial   | Low           | Our Systems<br><br>Our People               | Financial Management<br>Data Management<br>Recruitment<br>System and Software Solutions to support critical business unit imperatives |
| Operational | Low to Medium | Our Clients/Our People<br><br>Our Community | Client Service Development<br><br>Brand awareness/perception and reputation/culture<br>Community Engagement                           |

## Strategic Risk

### Governance Risk

Community Living Australia ensures substantial governance structures and guidance are in place. The Company has an appropriately qualified Board with key committees supporting their oversight. Community Living Australia has a code of conduct, disclosure processes, a charter and organisational values with compliance assurance. The responsibility for ensuring reporting and review of liquidity, Insurance, Financial management, ongoing business, branding and marketing with recommendations made back through the Board is undertaken within specific Board Sub/Committees.

## **Regulatory Risk**

Community Living Australia has a strong governance framework, policies, procedures, systems and effective audits to mitigate risk in relation to the oversight and management of legislative and regulatory standards and laws. Adherence to the Corporations Act, NDIS Quality & Safeguarding Commission, Privacy, Data Breach and robust insurance.

## **Business Growth**

Community Living Australia develops and implements strategy within its core competency, capability and assesses all new business and direction within the disability sector based on robust due diligence, alignment with values, ability to adequately fund and resource and operate within Board approved organisational delegations and parameters.

## **Financial Risk**

### **Financial Management**

Community Living Australia has a strong financial framework, policies, procedures systems and support to reduce the likelihood of possible fraud or liquidity. The Company's objective is to ensure that an adequate liquidity position is maintained in order to secure its obligations concerning liabilities, funding capacity and contributions in line with service delivery and liabilities.

### **Data Management**

Community Living Australia has controls, processes and authorities in place to inform reporting, decision making and empowerment. Comply with relevant legislation and funding requirements and meet ongoing information lifecycle needs.

### **Systems and Software**

Community Living Australia aims for strong internal control processes and the development of robust technology solutions with external auditing processes to support its critical business functions, ensure processes not only to provide efficiencies but also curtail the effects of possible threats.

## **Operational Risk**

### **Client Service Development**

Community Living Australia has strong internal policies and processes in place to mitigate potential risks, fulfil its reporting obligations and provide transparent quality services to people with disability, their carers and or guardians. In line with NDIS Q&S requirements, a Restrictive Practice Officer with reporting through the Service Quality Board Subcommittee ensures our obligations are met in terms of legislative guidelines.

## **Market & Competition**

Community Living Australia has robust policies, and business plans aligned with the approved Strategic Plan. Market statements and environmental scans are used to inform both the Strategic Plan and Business Plans.

## **Implementation of the Risk Statement**

All of the Senior Management is responsible for the implementation of and compliance with this Statement.

## **Communication**

Community Living Australia's Risk Statement will be available through the Intranet and Website.

## **Risk Assessments**

Risk registers are in place to monitor day-to-day operations across all business units with business and contingency plans in place. These are reviewed annually in line with the overall Business Plan. Individual department risk registers are also updated when there are key changes in policies, structures or functions or when an out of cycle risk occurs.

Risk tolerances are reviewed in line with the Strategic planning process.

All risk performance is monitored by the Senior Management Team and in consultation with the organisation's relevant business units in order to establish a culture of ownership and accountability.

## **Review**

This Risk Statement is reviewed annually. Proposed changes to the Risk Statement are endorsed by the Risk and Compliance Committee and approved by the Board.

## Board Governance Structure

The key functions of the Board and Board Subcommittees can be accessed through the Board Charter and Board Subcommittee Terms of Reference

