



Neighbourhood Watch

Let's watch out for each other

RISK MANAGEMENT POLICY

OVERVIEW

Neighbourhood Watch Victoria Inc (NHW) 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 Neighbourhood Watch Victoria's 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, Neighbourhood Watch Victoria 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. Neighbourhood Watch Victoria 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 APPETITE

Strategic risks

NHW Victoria recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its objectives as well as on its reputation. A framework is in place to ensure these initiatives are prioritised appropriately and are managed and reported on a consistent basis. NHW has a **high risk appetite** for those strategic risks that will realise its strategic goals and objectives.



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Financial risks

NHW assesses its financial risks both from a strategic and operational perspective. NHW requires at all times a balance between adequate reserves and liquidity, and understands that it is not always possible to eliminate all risks. NHW will manage associated balance sheet risks to an acceptable level through a framework of policies and financial controls. NHW has a **low risk appetite** for financial risk.

Funding risks

NHW needs to retain consistent Government funding (adjusted for inflation) and to achieve sustainable growth in non-government funding by delivering value-add programs and activities. This requires ongoing innovation in exploring funding sources. NHW will mitigate the associated risks by ensuring that funding activities are efficient, adhere to NHW's values and meet accepted Australian industry standards. NHW has a **moderate risk appetite** in identifying and exploring new ways of unlocking funding opportunities.

Reputational risks

Public scrutiny is an inherent and welcomed component of NHW activities. NHW will seek to ensure transparent and clear communication to mitigate this risk and that key stakeholders are kept informed of matters relevant to them. NHW has a **low risk appetite** for activities that will compromise the ethics, brand or credibility of the organisation.

Operational risks

NHW carefully analyses risks in its operational activities, including ensuring that the benefit of the risk control measures exceeds the costs of these measures. NHW has processes in place and can make resources available to manage operational risks to acceptable levels. In terms of operational risks, NHW has a **low appetite** for risk.

OH&S practices

The responsibility for maintaining a safe environment is a shared responsibility of all NHW personnel. NHW has a **zero tolerance** for noncompliance with accepted OH&S practices

Information technology risks

NHW requires its information management systems and procedures to be adequate and relevant for their intended purposes. NHW internal control processes need to ensure the development of robust technology systems to potentially mitigate significant and malicious threats to NHW assets. NHW has a **low risk appetite** to the non-availability of systems and **no appetite** for misuse of information, which includes any personal data relating to employees or volunteers.