

1. RACGP Risk Management Policy

- 1.1 Policy number: CO-O-015.4
- 1.2 Category: Organisational
- 1.3 Approval date: May 2018
- 1.4 Revision date: May 2019
- 1.5 Unit responsible: Finance department, FARM Committee

2. Policy declaration

This document is the policy supporting the RACGP Risk Management Framework (RMF).

This policy is authorised by the CEO and approved by Council.

3. Background

This policy promotes the RACGP's commitment to managing risks through the RMF. The RACGP RMF has been designed to meet certain regulatory requirements and terms of reference for FARM used by Council and Management in their decision making processes.

4. Scope

This policy and RMF applies to all RACGP Councillors, members, employees, contractors, committee members, and volunteers.

The RMF is the operational document for applying risk management processes and controls in the RACGP.

5. RACGP Risk Management Framework

The RACGP RMF has been designed to meet certain regulatory requirements and terms of reference for FARM used by Council and Management in their decision making processes.

Risk management is not only about minimising risk, it is about managing the risks involved in all RACGP activities to achieve RACGP objectives. Risk arises because those objectives are pursued against an uncertain background, internal and external factors and influences that the RACGP may not control. It is recognised that risk is simply a fact of conducting business that cannot be avoided. Risk is managed by understanding the risk and how it is caused and influenced. Risk can then be treated so that the RACGP is more likely to achieve its objectives more efficiently or with improved results.

Risk management is everyone's responsibility and therefore this document is an important reference for all RACGP staff and members actively involved in the RACGP. It has been designed for use by all faculty offices and business units within the RACGP, but is also particularly relevant to the Council, Finance and Audit and Risk Management Committee, Chief Executive Officer, Senior Leadership Team, and those staff involved in the formal application of the risk management process.

The RACGP RMF outlines:

- (i) the role and responsibilities of the risk management function;
- (ii) the relationships between the Council, Council committees and senior management with respect to the risk management framework; and
- (iii) the process by which the risk management framework is reviewed and the intended coverage and timing for these reviews.

An effective risk management system is:

- (i) based on a structured and systematic process that takes into account obligations under the Corporations Act, and the tax exempt status of the organisation as a charity. It also reflects the importance of RACGP as an Australian Medical Council (AMC) accredited medical college for the speciality of developing and maintaining standards in education, quality and clinical safety;
- (ii) establish and maintain controls designed to manage or mitigate those risks; and
- (iii) implement and monitor those controls to ensure they are effective.

5.1 Council approval

The RACGP Council is committed to ensuring that risks are adequately and appropriately identified and addressed in a timely manner and to achieve this effectively through the RACGP RMF.

The RMF is endorsed by the Finance, Audit and Risk Management Committee (FARM) and approved by Council.

5.2 Relationship to other RACGP policies

The Risk Management Framework is used as an enabler to operationalise the Terms of Reference (TOR) of the Finance, Audit and Risk Management Committee (FARM). The TOR for FARM can be found at:

<http://www.racgp.org.au/support/policies/organisational/>

The RACGP Risk Management Framework provides a management policy structure for the related policies of:

- Treasury Policy
- Investment Strategy Policy
- Delegations of Authority Policy
- Environmental and Social Statement
- Disaster Recovery Plan
- Business Continuity Plan

5.3 Operational Risk Financial Requirement

RACGP ensures that an adequate level of funds are held in reserves to ensure the continued operation of the College for an 18 month period should a major operational risk be experienced.

6. Review of this policy

This policy will be reviewed on a yearly basis.