

HumanAbility Ltd

Risk Management Policy



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1 Policy Objectives

- 1.1. In its governance role, and particularly in exercising its duty of care, diligence and associated legal duties, the HumanAbility Board (the Board) is responsible for ensuring that appropriate risk management policies and procedures are in place to protect the assets and undertakings of HumanAbility Ltd (HumanAbility). The Risk Management Policy and Framework (this Policy) is adopted to ensure fulfilment of those duties and responsibilities.
- 1.2. HumanAbility's Board is committed to applying this framework in order to:
 - achieve its business objectives while minimising the impact of risks that can be controlled;
 - establish the right balance between the cost of control and the risks it is willing to accept as part of the business and industry environment;
 - protect and enhance its reputation;
 - behave as a responsible and ethical corporate citizen, protecting staff from harm and protecting physical property from loss or damage;
 - recognise and exploit opportunities; and
 - establish resilience and increased efficiency.

2 Policy

- 2.1. Underpinning this Policy, the Board adopts an active approach to risk management which recognises that HumanAbility is engaged in activities which necessarily demand that it take certain usual business, entrepreneurial and operational risks.
- 2.2. Accordingly, and in the interests of the enhanced performance of HumanAbility, the Board embraces a responsible approach to risk management as a risk-aware Board, and not a risk-averse one.
- 2.3. The Board will seek to implement, evaluate and adapt the Risk Management Plan to responsibly manage risk into the future.
- 2.4. Risk Categories:

The Board requires the Chief Executive Officer to ensure that an approach to managing risk is implemented as part of the day-to-day operations of HumanAbility, identifying and managing the material risks in the following categories:

- Core business and strategy risks
- Financial risks
- Facilities risks
- Human resource management / Occupational Health and Safety (OH&S) risks
- Operational risks
- IT systems risks
- Environmental risks, and

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- Legal risks.
- 2.5. The Board's approach to prudent risk management does not require that all risks be identified and eliminated, but that procedures are in place to identify material risks and, where the likelihood and/or consequences of such a risk occurring so demand, that steps be taken to minimise, eliminate or transfer that risk.
- 2.6. The Board delegates the Audit and Risk Committee to make recommendations and provide advice and guidance to the Board on the governance responsibilities of the Board with respect to audit and risk management and compliance.
- 2.7. HumanAbility staff are trained as appropriate in the purpose and application of risk management plans.
- 2.8. Specifically, in managing risk, the Board and management are to adhere to the following principles:
- When considering new strategies or projects, management is to analyse the major risks of those opportunities being secured and/or being lost and is to consider appropriate solutions.
 - HumanAbility shall, where thought prudent by the Chief Executive Officer and/or the Board, take appropriate external advice to determine the best way to manage a particular risk.
 - Financial risk shall be managed by the whole of the Board, working closely with the Chief Executive Officer and the Executive Director – Corporate Services & Compliance, to ensure that the financial statements and other financial reporting are rigorously tested prior to submission for audit; and
 - Appropriate insurances are to be in place to complement risk management, and advice is to be taken from HumanAbility's brokers or insurers, where necessary, to cover the usual risks for businesses and, where practicable, to cover any particular extraordinary risks which arise in the circumstances of HumanAbility.
- 2.9. This approach to risk management, and the effectiveness of its implementation, is to be reviewed formally, at least annually, by the Board.

3 Risk Appetite

- 3.1. It is acknowledged that HumanAbility must at times undertake activities that carry significant risks which will be mitigated by appropriate control initiatives. Risk appetite is the amount of risk HumanAbility is willing to accept in pursuit of its goals and should include consideration of:
- capacity and tolerance for failures with quantitative values, where applicable
 - philosophical attitudes to the individual project
 - objectives, the business plan and stakeholders' requirements, and
 - industry and market conditions.

4 Risk Management Approach

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- 4.1. HumanAbility's risk management framework consists of the following key stages:
- *Risk identification and description*: Identifying and describing all reasonably foreseeable risks associated with its activities that could prevent HumanAbility from achieving its objectives
 - This will apply to all new initiatives undertaken by HumanAbility. For example, the introduction of new technology, capital expenditure and commercial ventures which will require a risk assessment as part of the project development phase
 - *Risk assessment/measurement*: Risks will be assessed and rated in terms of the probability of the risk occurring, the potential consequences of the risk, and the cost if not mitigated (quantified if feasible)
 - *Risk control and management*: Identifying options to treat risks and development mitigation plans, including avoiding the risk, mitigating the risk, transferring the risk, or accepting the risk, and
 - *Risk monitoring and reporting*: Bi-annual reporting of risk management activities to the Board, including the effectiveness of the above processes.

5 Risk Management Responsibilities

- 5.1. HumanAbility's Board has ultimate responsibility for risk management and for determining the appropriate level of risk that HumanAbility is willing to accept.
- 5.2. The Chief Executive Officer is responsible for:
- the development of systems, policies, processes and procedures that promote efficient management of HumanAbility's business, including effective responses to risk, and
 - ensuring staff are thoroughly acquainted with HumanAbility's risk management framework.
- 5.3. The Chief Executive Officer will provide a report on risk to each quarterly meeting and whole scale risk register report on at least an annual basis. The quarterly report to identify any new or heightened risks.