

FutureNow.

Policy 3.1: Risk Monitoring and Management

1. Purpose

FutureNow—Creative and Leisure Industries Training Council Inc. (FutureNow) takes an active approach to risk monitoring and management. The purpose of this policy is to ensure that risk monitoring and management is adopted throughout the organisation, that all employees are made aware of the need to monitor and manage risk, and that any risks are contained to acceptable levels consistent with the Board's low appetite for risk.

2. Scope

This policy applies to the FutureNow Board and all FutureNow employees.

3. Abbreviations

CEO: Chief Executive Officer

FutureNow: FutureNow—Creative and Leisure Industries Training Council Inc.

4. Policy statement

FutureNow recognises that effective risk monitoring and management is an integral part of good governance and management practice, and essential to the development of a positive organisational culture. It also contributes to the organisation's successful achievement of its strategic and operational objectives, and supports improved performance and organisational resilience.

FutureNow is committed to ensuring that effective risk monitoring and management is central to all its activities and is embedded in the organisation's processes and culture.

FutureNow is exposed to strategic, operational, financial, information, and work safety and wellbeing risk. While all such risks cannot be eliminated, they need to be managed to ensure they are as low as reasonably practicable.

This policy addresses the monitoring and management of strategic, operational, financial and information risk. Work safety and wellbeing is addressed in the Safety and Wellbeing Policy.

5. Responsibilities

Risk monitoring and management is a shared responsibility between FutureNow's Board, the CEO and all other FutureNow employees.

Board Responsibility

The FutureNow Board's strategic purpose involves taking responsibility for the ongoing sustainability of the organisation. The Board, through its interaction with the CEO, is responsible for fostering a risk-aware culture where risk monitoring and management are viewed as positive decision-making attributes. This includes having an awareness of the oversight of risk monitoring and management across the organisation. The Board must satisfy itself that management practices, policies and processes are sound and effective in managing identified risks, and that remedial action is taken to address any detected areas of unacceptable risk.

FutureNow's Chief Executive Officer

The Chief Executive Officer (CEO) is responsible for:

- reporting to the Board on the effectiveness of the organisation's risk monitoring and management;
- ensuring that risks are managed systematically through the adoption of appropriate and transparent processes for identifying, monitoring and controlling the organisation's risks;
- embedding the risk-aware culture where risk monitoring and management are viewed as positive decision-making attributes; and
- ensuring that all employees are aware of this policy.

All Employees

All FutureNow employees are responsible for:

- adopting a positive approach to risk monitoring and management, and developing a risk-aware culture;
- adhering to the organisation's risk monitoring and management processes;
- alerting management to any actual or potential risk events they become aware of in the course of their work; and
- discussing with the CEO any potential gaps in, or improvements to, FutureNow's risk monitoring and management processes.

6. Policy application

FutureNow's commitment to risk mitigation is demonstrated by the implementation of a number of control measures designed to ensure:

- the long-term financial sustainability of the organisation;
- the effectiveness and efficiencies of operations as related to contractual agreements;
- accountability and transparency in financial management through accuracy, timeliness and completeness of financial information;
- compliance with laws and regulations, and government policy requirements;
- safeguarding of assets;
- optimal workforce development practices; and
- minimising the risk of employee misuse of FutureNow's resources.

Stakeholder management risk

Compliance with FutureNow's service delivery contract with the Western Australian Government is ensured through regular monitoring of progress and deliverables.

Due diligence is exercised by checking all material facts before entering into agreements, making investments, establishing a partnership or employing staff.

Private and commercial in confidence information is treated with respect, and all reasonable and legal steps are taken to manage and protect it.

Appropriate levels of insurance are obtained for the protection of FutureNow's Board, employees, assets and contracts.

FutureNow's corporate image as a professional, responsible and ethical organisation is protected through compliance with FutureNow policies and values, including the CEO Employment and Delegations Policy, Code of Conduct, Privacy and Confidentiality Policy, and the Safety and Wellbeing Policy.

Financial risk

Effective and efficient control over, and use of, financial resources is maintained through the following measures.

- Achieving value for money underpins all financial decisions, with risks assessed against short-term and long-term objectives.
- This includes the production and presentation for approval of an annual draft budget to the Board and the State Training Board in May or June each year.
- Reporting to the Board through an annotated profit and loss statement—showing actual against budgeted expenditure—and the balance sheet for the relevant period.
- Accounts are examined annually by external auditors and reports presented to the Board at the Annual General Meeting each year, and then presented to the State Training Board and the Department of Training and Workforce Development.
- A bookkeeper, accountant and auditor are or contracted employed to provide separation of duties and external controls.
- Limits have been established and lodged at FutureNow's bank for delegated financial activities. The CEO's credit card is limited to a maximum of \$10,000 and credit cards for other employees limited to \$2,000.
- The Xero cloud-based accounting software platform is used for payment of accounts and involves authorisation at the National Australia Bank by one of two nominated directors. Auditing of accounts is performed in this online context.

Information management risk

To minimise the risk of system failures or information/data security breaches, information technologies and infrastructure—including the operating system, information security tools, data storage and backup, and communication tools—are in place and fit for purpose.

Employees will receive training in information management system and storage as part of their induction process. This will include informing employees of FutureNow's protocols in relation to information technology security such as the use of external devices on FutureNow's system, appropriate naming and storage of documents and recognising appropriate content for downloading onto the system.

Employees will also receive training to assist in the development of a culture of privacy that values private and commercial in confidence information, in line with the Privacy and Confidentiality Policy.

The business information captured should provide a reliable, accurate and verifiable account of business decisions and activities. It should include all information necessary to support reporting and auditing requirements.

7. Breaches

All employees are responsible for knowing, understanding and following the Risk Monitoring and Management Policy throughout the course of their employment with FutureNow. Failure to comply

with any aspect of this policy may constitute misconduct and may result in disciplinary action, up to and including termination of employment.

8. Associated Documents

Western Australian Employment Legislation:

- *Occupational Safety and Health Act 1984*
- Occupational Safety and Health Regulations 1996
- *Workers' Compensations and Injury Management Act 1981*
- Workers' Compensations and Injury Management Regulations 1982

FutureNow Human Resources Management Policies:

- Board Charter
- CEO Employment and Delegations Policy
- Code of Conduct
- Privacy and Confidentiality Policy
- Safety and Wellbeing Policy

9. Authorisation

This Policy has been authorised by the CEO and the Board of FutureNow.