Risk and quality policy BPM-006

Application	Board only
Purpose	This policy describes the responsibilities of the Board and its approach to risk management and quality improvement.
References	Associations Incorporation Reform Act 2012
	Australian and New Zealand Risk Management Standards, Guidelines and Principles
Associated policies/procedures	BPM-002 Board work plan, committees and office bearers policy
	BPM-003 Board and CEO relationship policy
Associated forms	N/A

Policy scope

This policy describes the responsibilities of the Board and its approach in respect to risk management and quality improvement. The policy should be:

- understood in the context of board members' legal and fiduciary duty under the *Associations Incorporation Reform Act 2012* and other relevant legislation and in common law
- understood in context of the Australian and New Zealand Risk Management Standards, Guidelines and Principles[1]

1. Risk management

In order to protect the reputation and ensure viability of the organisation, and to mitigate any risk to mission and to people – clients, staff, volunteers and members, the Board will:

- ensure that strategic risk is considered in formal Board strategic planning processes, as well as in one-off or reactive strategic decision-making
- incorporate into the Board annual work plan its oversight role for risk management
- identify any requirements for Board member professional development related to the principles and guidelines underpinning sound risk management practice.

The Board commits to mitigating and maintaining the lowest practicable level of risk across all operations of the organisation.

Additionally the Board requires:

- the CEO to identify and plan for the management of risk (See BPM-003 Board and CEO relationship policy). It is expected that CEO responsibilities for risk management will be regularly incorporated into the CEO performance plan
- the CEO to ensure all necessary operational level policies and procedures relevant to risk and compliance are in place and regularly made known to staff
- the Finance, Risk and Audit Committee to take an active role drafting and undertaking initial review of risk-related policy and, on behalf of the Board, reviewing the risk register and control arrangements (See BPM-002 Board work plan, committees and office bearers policy)

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[1] AS/NZS ISO 31000:2009 is the current joint Australian/New Zealand and approved on behalf of the Council of Standards Australia on 6 November 2009 and on behalf of the Council of Standards New Zealand on 16 October 2009.This Standard was published on 20 November 2009. The standard is reviewed and updated from time to time.

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- the Finance, Risk and Audit Committee to bring to the Board, at least twice per year, an overview of all organisational or strategic risks which:
    - retain a very high or high residual risk rating after controls have been implemented; and/or
    - have seen some movement in risk rating since the previous report to the Board.
- compliance with contracts and service agreements, memoranda of understanding and partnership agreements, and provisions of relevant legislation to be reviewed from time to time as part of internal audit arrangements.

2. Quality assurance and quality improvement

In order to assure the quality of services to clients and community, and to position the organisation as a practice leader in its health promotion/population health and direct services roles, the Board requires relevant formal accreditation to be maintained and a commitment to evidence-based practice to be embedded in the organisation.

The Board will:

- incorporate into the Board annual work plan a monitoring role in respect to accreditation, quality and quality improvement plans
- regularly review its own performance and the performance of the CEO
- identify any requirements for Board member professional development about principles and guidelines underpinning quality improvement and evidence-based practice.

Additionally the Board requires:

- the CEO to ensure the continuous quality improvement of programs and services and formal accreditation of the organisation (See BPM-003 Board and CEO relationship policy). It is expected that CEO responsibilities for quality management and improvement will be regularly incorporated into the CEO performance plan and that the CEO will incorporate a focus on quality improvement and evidence-based practice in his or her regular reports to the Board
- the CEO to ensure all necessary operational level policies and procedures relevant to quality improvement and accreditation are in place and regularly made known to staff
- the Governance Committee to develop the necessary processes to enable the Board to effectively review its own performance (See BPM-003 Board and CEO relationship policy)
- the Research Advice and Promotion Committee to determine and make recommendations to the Board as to whether (or not) research is of a nature that should be endorsed by VAC/GMHC in circumstances where VAC/GMHC had been requested to endorse specific research projects (see BPM-003 Board and CEO relationship policy)