



Enterprise Risk Management for NFP Organisations

PRODUCT SCOPE

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THE WHY?

Risk management is a critical component of an organisation's overall Governance. The contemporary approach to risk management includes formalising this into an Enterprise Risk Management Framework so that strategic risk can be managed in a comprehensive fashion. This framework typically contains formal processes that guide Board decision making as well as standards and expectations of conduct regarding risk management for both individual directors and the Board. These may be formalised in the terms of reference for the Board or the Audit and Risk Committee if one exists for the organisation.

The Enterprise Risk Management Framework acts as a foundation for demonstrating both legislative compliance (including WHS Due Diligence and Governance Standard 5 as part of the ACNC Framework) as well as satisfying broader fiduciary requirements and sending a positive message to the community that the organisation is responsible, mature and considered in its decision making.

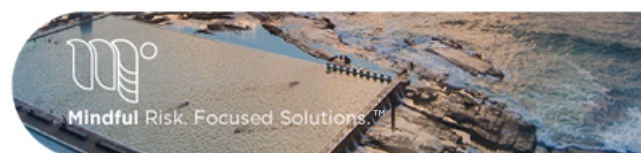
This framework must also be supported by internal capability at the Board and CEO level so that risk management becomes a vital decision making tool for Non-Executive Directors and Chief Executive Officers to shape an understanding of both the opportunities and threats the organisation faces when making strategic decisions.

The Mindful Risk RCPA method is designed to establish for organisations in the community and NFP sector:

- A contemporary and concise Enterprise Risk Management Framework that is appropriate to the size and complexity of the organisation
- Fundamental Risk Management skills and capability for all Non-Executive Directors, The Chief Executive Officer and selected Senior Managers
- A consistent understanding of priority risks for the organisation and how to incorporate risk management earlier into the decision making lifecycle, rather than as an afterthought

RCPA METHOD[©]

RISK & CONTROL PRIORITISATION & ASSURANCE METHOD



KEY BENEFITS

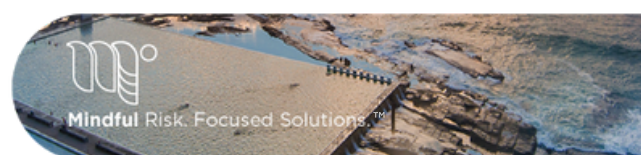
At times, risk management has been viewed as complex and time consuming - an afterthought to decision making or purely related to insurance.

The contemporary approach to risk management recognises that the world moves rapidly, and situations can change quickly and in unexpected ways.

As a result, Enterprise Risk Management is used as a proactive decision making tool to predict problems before they occur and identify opportunities to achieve competitive advantage.

The key benefits of this contemporary approach include:

- Eliminate avoidable non-compliance costs
- Reduce and/or better understand organisational insurances
- Maximise confidence in the achievement of organisational objectives (Mission and Purpose)
- Elevate the reputation of the organisation
- Seize opportunities and counteract threats





NFP RISK MANAGEMENT FUNDAMENTALS PACKAGE[©]

Our NFP Risk Management Fundamentals Package is designed to support Non-Executive Directors and The Board achieve a robust and common capability level in relation to risk management.

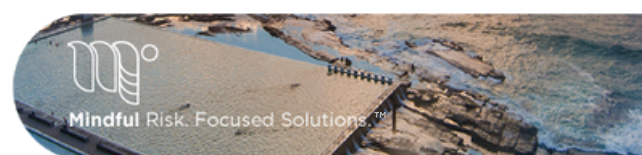
The NFP Risk Management Fundamentals Package includes:

- Access to The Mindful Risk ERM Benchmarking survey for all members of the Board, the Chief Executive Officer and selected senior staff
- A 2 hour Risk Management Fundamentals Masterclass for the Board and the CEO, delivered in person by the Mindful Risk Team (which includes discussion of the survey results and the organisational benchmarking score)
- The provision of course materials & handouts, and the development of a high level action plan to address exposure areas identified by the survey

INVESTMENT:

A Fundamentals Package is usually completed for a group of 12 participants (additional participants can be added).

Please contact The Mindful Risk team to discuss pricing for your organisation.



THE MINDFUL RISK

ERM BENCHMARKING

SURVEY DESCRIPTORS

Maturity Level	Descriptor	Attributes
One	Ad hoc	The management of risk is undocumented and in flux; the management and taking of risk depends on individual exemplars.
Two	Preliminary	Risk is defined in different ways and managed in silos. Process discipline is unlikely to be rigorous
Three	Defined	A common risk assesment/response framework is in place. An organization-wide view of risk is provided to executive leadership and the board in the form of a list of so-called material or critical risks. Action plans are implemented in response to high priority risks.
Four	Integrated	Risk management activities are coordinated across business areas. Common risk management tools and processes are used where appropriate, with enterprise-wide risk monitoring, measurement, and reporting.
Five	Optimised	The focus shifts from managing a list of risks outside the context of enterprise objections to managing success: the achievement of objectives. The consideration of what might happen (where possible, business language is used instead of the technical language of risk) is embedded in strategic planning, capitol allocation, and other other processes, as well as in daily strategic and tactical decision-making.



NFP RISK MANAGEMENT ADVANTAGE PACKAGE[©]

Building on the foundation of our NFP Risk Management Fundamentals Package, our NFP Risk Management Advantage Package is a more detailed offering for organisations looking to position themselves as contemporary best practice leaders in the sector. In order to complete the Risk Management Advantage Package, organisations must first have completed the Fundamentals Package.

The NFP Risk Management Advantage Package includes:

- The completion of an imminent exposure scan to establish current risks and exposures in relation to organisational compliance requirements (inclusive of review of current legal compliance requirements and insurances)
- The development of a briefing report and presentation to the Board and Executive Management Team on the results of the exposure scan.
- Using the output of the report, the development of a concise Risk Framework document suite in consultation with key stakeholders of the organisation.
- This document suite consists of the following standard inclusions:
 1. An Enterprise Risk and Compliance Register
 2. A Risk Appetite Statement (RAS)
 3. A Risk Management Policy (inclusive of the development of basic performance metrics and assurance processes)



- The provision of three information sessions for the organisation throughout the process including a Risk Appetite Statement Workshop, as well as the development of internal training material and a “Risk Management on a Page” Quick Reference Guide.
- An annual desktop review of the framework, including a written update and an in-person briefing session to the Board of Directors and executive management team.
- Ongoing access to The Mindful Risk Team on the phone and through Loom, Zoom and electronic meeting software. The timeframe of delivery for the Advantage Package can be tailored to suit the organisation, however it is often delivered in a staged approach over a couple of months.
- Additional extras and inclusions can be scoped in accordance with the needs of the organisation.

INVESTMENT:

Please contact The Mindful Risk team to discuss pricing for your organisation.

